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LIST OF ABBREVIATIONS

ACTRAV	Bureau of Workers' Activities
BWJ	Better Work Jordan
CAT	Compliance Assessment Tool
CBA	Collective Bargaining Agreement
DoS	Department of Statistics
EA	Enterprise Advisor
EU	European Union
FoA/CB	Freedom of Association and Collective Bargaining
GoJ	Government of Jordan
IFC	International Finance Corporation
ILO	International Labour Organization
JCI	Jordan Chamber of Industry
LABADMIN	Labour Administration and Labour Inspection
MoE	Ministry of Education
MoH	Ministry of Health
MoITS	Ministry of Industry, Trade & Supply
MoL	Ministry of Labour
OSH	Occupational Safety and Health
PAC	Project Advisory Committee
QIZ	Qualified Industrial Zone
RoO	Rules of Origin
SDG	Sustainable Development Goal
SEZ	Special Economic Zone
SHP	Sexual Harassment Prevention
SSC	Social Security Corporation
SST	Supervisory Skills Training
UNHCR	United Nations High Commissioner for Refugees
USDOL	United States Department of Labor

Summary Findings

A key component of Better Work Jordan's (BWJ) work in the garment industry is the annual assessment, a two-day unannounced on-site visit. Compliance observations from these factory assessments along with other engagement with factories and industry stakeholders provides the data for annual reports. These reports detail the observed compliance status of participating factories and provide a snapshot of the industry.

This, the ninth Annual Report presents findings and observations from 74 factory assessments completed in 2017. In addition, the report presents the programme's engagement with national and international stakeholders in the context of relevant policy developments in Jordan.

The 74 factories represent about 93 percent of participating factories which employ some 62,000 workers, about 89 percent of workers employed in the garment industry in 2017. The data analysed shows compliance with labour standards and working conditions based on the eight Better Work compliance clusters: Child Labour, Discrimination, Forced Labour, Freedom of Association and Collective Bargaining, Compensation, Contracts and Human Resources, Occupational Safety and Health, and Working Time. Assessment findings are complemented with observations documented through other services, such as advisory and training, as well as the programme's interactions with national and international stakeholders.

Overall, non-compliance trends are consistent with the previous years. This includes the concentration of non-compliance under the working conditions cluster, contracts and human resources and occupational safety and health. As identified and discussed in Section II, areas of significant improvements since the previous annual report include fewer cases of discrimination related to working hours during Ramadan, better recruitment practices, lower incidence of excessive recruitment fees, and better practices with keeping time records. Further, the number of cases of

passport withdrawal has decreased since the previous annual report – from 10 percent to three percent. Although important progress, the industry should aspire to reduce the incidence of such cases to zero.

ILO CORE LABOUR STANDARDS

Child Labour

Child Labour is one of the zero-tolerance issues as designated in the memorandum of understanding between BWJ and the Ministry of Labour. No instances of child labour were found in the reported factories during 2017. However, the programme cannot claim that the all factories are free of underage workers at all times. Risk factors remain due to possibility of inaccurate or inadequate documentation. Two of the 74 factories were found non-compliant on accurate documentation of workers under the age of 18 as well as juvenile Jordanian workers (aged between 16 and 18) performing hazardous work. Although the prevalence of such cases remain low, BWJ and the MoL continue to take prompt action when such cases are uncovered.

Discrimination

Non-compliance was primarily due to the factoring of race in decisions regarding pay, and legal requirements regarding the hiring of persons with disabilities. Consistent with previous reports, employers commonly claim difficulty in recruiting persons with disabilities to meet the quota. All 17 non-compliant factories had hired one or more workers with disabilities. The garment sector's collective bargaining agreement (CBA) requires employers to eliminate any discrimination in pay, especially regarding the calculation of overtime and fixed financial benefits. Further non-compliance is related to differences in recruitment fees paid between female and male workers from Nepal and Sri Lanka. Although the number of such instances has declined, the programme continues to find these cases in a

number of factories.

Forced Labour

Two factories were found keeping workers' personal documents, including passports. Both cases were reported to the MoL under the zero-tolerance protocol, and Labour Inspectors ensured that all passports were returned. BWJ followed up on the cases and verified that the documents had been returned to the workers. Under this Cluster, one factory was found to impose a dormitory curfew on its female workers and the case was also reported under Discrimination based on gender. Jordan's exporting garment industry reached an important milestone in 2016 when the industry was removed from the United States' Trafficking Victims Protection Reauthorisation Act (TVPPRA) list after eight years. Although the industry values this progress, it is of utmost importance the every stakeholder remains vigilant on issues related to human trafficking and forced labour.

Freedom of Association and Collective Bargaining

Given the single trade union structure prescribed by national law, all factories continue to be non-compliant under Freedom to Associate. About 86 percent of factories were unable to implement all provisions of the garment sector collective bargaining agreement (CBA). Most factories had implemented some requirements, but factories are reported non-compliant if they fail to implement one or more provisions in the CBA. The 64 non-compliant factories had implemented at least some of the CBA's provisions. Areas with the highest lack of implementation include maintaining dormitories according to the Ministry of Health standards, and calculating wages and benefits.

WORKING CONDITIONS

Compensation

Most non-compliance was related to unauthorised deductions from wages, late payment of wages or other

financial benefits and the calculation of overtime wages and social security contributions. A noteworthy area of improvement includes the increase in the number of factories keeping one accurate payroll. In the 2016 Annual Report, 22 percent of factories were non-compliant with keeping a single accurate payroll, whereas this year, the fraction dropped to 11 percent.

Contracts and Human Resources

Issues related to employment contracts were recorded in a number of factories, where most non-compliance related to contracts not in line with Jordanian legal requirements, and factory bylaws non-compliant with the national law. During 2017, 47 percent of factories used employment contracts that did not comply with the legal requirements and 42 percent had bylaws that were non-compliant and/or they did not communicate them to workers. Further non-compliance was observed in factories failing to provide contracts in all the required languages, establishing and sustaining functional bipartite committees and ensuring that workers do not pay unauthorised recruitment fees. Better Work has been promoting sound HR management systems across its country programmes as it remains key to ensuring and sustaining compliance. Among the 74 factories assessed, about 62 percent did not adequately implement measures to systematically identify and address weaknesses related to HR policies and procedures. Going forward, BWJ will advance its work in promoting a systems-based approach to solving these problems.

Occupational Safety and Health

Similar to previous years, the Occupational Safety and Health (OSH) cluster has some of the highest rates of non-compliance. The lack of medical and OSH staff is a continuous challenge for the industry, and in 2017 about 74 percent of the factories did not have the required onsite medical facilities and staff, and 70 percent did not employ the required OSH specialists. Non-compliance related to Worker Accommodation remains a key area of advocacy for BWJ, with about 55 percent of the observed factories not adequately pre-

pared for emergencies. There has been some improvement in factories complying with minimum space requirements, the percentage of factories non-compliant has dropped from 60 percent to 46 percent. In the coming year, BWJ is planning to increase its advocacy for building and fire safety and utilise expertise from other Better Work country programmes. Among the 74 factories in this report, 41 percent had obstructed or locked emergency exits and 38 percent did not have clear emergency exits and escape routes. Similar to the Contracts and Human Resources cluster, Better Work has been promoting a systems-based approach to solving OSH non-compliance issues. The past year, BWJ hosted industry seminars to advocate for this approach and been reiterating its importance throughout its advisory services.

Working Time

Jordanian Labour Law does not prescribe a limit to overtime. The Labour Law states that regular hours should not exceed 48 hours per week, and any additional hours worked should be voluntary and compensated as per the law. Non-compliance under Working Time is limited to the Leave and Regular Hours cluster points. About seven percent of factories had working time records that did not reflect actual hours worked. This compares to 19 percent in 2016. In addition to assessment findings, observations related to average working hours are presented when discussing the Working Time cluster. The overall average hours worked was 56.1 hours per week. However, the average recorded for direct exporters, subcontractors and satellite units were 56.5, 62.2, and 43 hours per week, respectively. The analysis also shows disaggregated averages between Jordanian and migrant workers. The average weekly working hours was 43.3 for Jordanian workers and 60.7 for migrant workers.

Section I: Introduction

Better Work Jordan (BWJ) is a partnership between the International Labour Organization (ILO) and the International Finance Corporation (IFC). The comprehensive programme is bringing together stakeholders from all levels of Jordan's garment manufacturing industry to improve working conditions and respect for labour rights, and boost the competitiveness of the sector. Factories participating in BWJ are monitored and advised through factory assessments, advisory visits and training services. In 2017, BWJ started offering its services to non-garment factories in Jordan.

In order to increase transparency and communicate observations, Better Work country programmes produce public annual reports synthesizing industry updates and highlighting assessment findings. Since the programme's inception in 2008, the Jordan team has published eight such reports to share industry updates and information. This is BWJ's ninth Annual Report, and it covers assessments and activities between January and December 2017. Compliance findings discussed in this report are drawn from 74 assessments conducted and completed during 2017.

This report is divided into three sections. Section I presents the country context and the background for the industry and BWJ, while focusing on policy developments in Jordan. Section II dives into compliance findings from factory assessments and relevant information documented during advisory and training services. This section also presents the thematic focus – 'Verbal Abuse' – highlighting the industry state and what Better Work is doing to address concerns. Section III summarizes the major issues at hand and presents conclusions and recommendations accordingly. The section also presents BWJ's actions going forward. Details on methodology, limitations and additional analysis can be found under Annexes.

1. COUNTRY AND LABOUR MARKET CONTEXT

Jordan is a small, upper-middle income country with limited natural resources, small industrial base and active trade flows. The emerging small-scale economy is driven primarily by the financial services sector, trade, real estate and tourism. Economic growth remained modest at 2.2 percent in 2017¹, and uneven, with higher growth in the urban core of Amman and stagnation in the more rural areas of Jordan. The country's geographic location continues to influence developments within its borders. Adverse regional developments, particularly in Iraq and Syria, including the presence of a sizable refugee population, has had a strong impact on the country's growth and local economy.

Jordan's rapidly growing population reached 9.6 million in 2016, a figure which includes a significant number of migrant workers and Syrian refugees.² Three major groups comprise the work force in Jordan – Jordanians, economic migrant workers³ and refugees.⁴ Consequently, the complex labour market is tied to the presence of the three groups.

The unemployment rate for Jordanians has remained persistently high over the decades. During the third quarter of 2017, Jordan's Department of Statistics (DoS) reported an 18.5 percent overall unemployment rate for Jordanians.⁵ Unemployment among women is particularly striking. Also significant, the female labour market participation rate continued to be low, at only about 14 percent in 2017. Only Yemen and Syria⁶ have lower rates globally.

By definition, migrant workers come to Jordan temporarily for work. The majority of migrant workers in Jordan are without their families and for a limited period of time. Although some migrant workers have lived in Jordan for a long time, the turnover rate remains high. In 2016, there were 318,830 registered foreign workers in Jordan, and Egyptians accounted for about 53 percent of migrant workers.⁷ However,

the majority of migrant workers in the garment sector are from South Asia and South-east Asia. This is further discussed in the Industry Overview section of this report.

The protection space for refugees in Jordan remains a concern for both national and international actors. About 659,000 Syrians are currently registered with the UNHCR.⁸ The Government of Jordan's (GoJ) census estimates a higher number. The GoJ has taken positive steps to respond to the crisis by introducing a longer-term vision, and the nationally-led Jordan Response Plan (JRP) recognizes the protracted nature of the crisis and has brought in the necessary longer-term planning and predictable funding perspective. According to the Ministry of Labour (MoL), 46,717 work permits were issued to refugees in 2017, of which, 12,995 were issued from camps.⁹ The bulk of them are in agriculture (43 percent) followed by construction (19 percent) and manufacturing (12 percent). About five percent of these permits were issued to females.

The ILO has noted an increased number of child labourers in Jordan in recent years.¹⁰ According to the latest National Child Labour Survey released in August 2016, the number of child labourers in Jordan has almost doubled to more than 69,000 since 2007. Although BWJ has not observed such developments among its participating factories, the programme remains vigilant in combatting child labour. Questions under the Child Labour cluster in BWJ's Compliance Assessment Tool (CAT) are assessed against international core labour standards. Any case of child labour found during assessments is immediately reported to the MoL under the Zero-Tolerance Protocol, who then follow-up on the case and with the Ministry of Education (MoE) and the Ministry of Social Development (MoSD).

Given the challenging labour market situation, creating and ensuring decent work in Jordan remains a core purpose of BWJ. The programme remains committed to contributing to Jordan's long-term economic and social resilience through livelihoods programming and promotion of decent work for all.

1.2 INDUSTRY OVERVIEW

At the time of its inception, BWJ's mandate for core services was limited to the garment industry. For this reason, this year's annual report presents short briefs on the garment industry as well as other manufacturing sectors. In 2016, the GoJ and the European Union (EU) signed an agreement that allows Jordan to export selected products tariff-free to the EU. This agreement is valid for a ten-year period and is applicable to 52 specified products for manufacturing factories in 18 specified Special Economic Zones (SEZs). This simplified rules of origin (RoO) agreement requires that the exporting factories have at least 15 percent Syrians in their production units for the first two years and 25 percent in the following years. Under this agreement, special provisions relate to decent working conditions and mention the MoL and ILO's joint role in ensuring this. In a grant agreement signed between the EU and ILO in April 2017, the ILO's role in monitoring labour under the simplified RoO has been defined. This is further discussed under Better Work Jordan Highlights. BWJ is expected to help ensure decent working conditions in factories authorised to benefit from the simplified RoO. For this reason, this year's annual report presents short briefs on the garment industry as well as other manufacturing sectors.

In a mapping study conducted in 2016, the chemicals, engineering and plastics manufacturing sectors were identified to have the most potential to export to the EU under the simplified RoO. In agreement with the EU and the GoJ, BWJ is now offering its services to three selected non-garment sectors: chemicals, engineering and plastics. Accordingly, the following discussions include these three sectors in addition to the garment sector.

Garment Industry

Jordan's garment industry has enjoyed an enormous growth since the mid-1990s. In 1996, Jordan and the United States signed the Qualified Industrial Zone (QIZ) Agreement that allows garments produced in the QIZs to enter the United States duty-free. Jordan and the United States signed the Free Trade Agree-

ment (FTA) in 2010, which continued Jordan's preferential duty and quota-free status. Compared to the previous year, the export value of garment exports increased by 9.6 percent in 2017.¹¹ Garment and related exports accounted for about 25 percent of Jordan's total exports, exceeding JD 1100.9 million (USD 1690 million). About 94 percent of garments were exported to the United States.

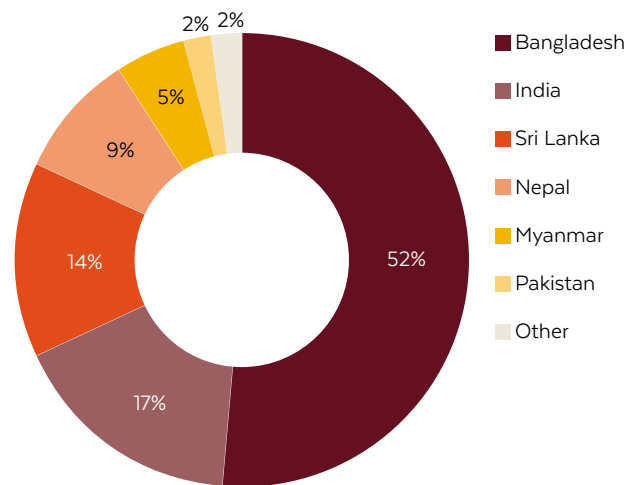
Today, the industry employs some 70,000 workers, with about 16,643 Jordanians and 54,215 migrant workers in 89 factories.¹² Most of these factories are located in the QIZs in Dulyal, Irbid and Sahab. Similar to garment industries in other countries, women occupy about 75 percent of the workforce in Jordan's garment industry. The industry has seen an increase in the number of factories the past year, and in most cases, existing factories opened new units and satellite factories to accommodate increases in orders and hire more Jordanians as per government requirement.

As discussed under Country and Labour Market Context, high unemployment remains a big concern for the Jordanian economy. Since 2010, the GoJ has continued to support the creation of 'satellite units' to encourage employment of locals, especially women, in areas with limited income opportunities. Government recruitment incentives include supporting a certain percentage of salaries for Jordanian workers for the first year, transportation fee of JD 25 for the first year and supporting Social Security contributions for the first year. According to the Prime Minister's direction, employers are now required to have at least a 30 percent Jordanian workforce. This issue is discussed further under Industry and Policy Developments. By the end of 2017, the industry had 21 satellite units in areas across Jordan including Ajloun, Irbid, Jerash, Karak, Madaba, Shunah and Tafileh, employing over 4,300 Jordanians workers.¹³

The majority of the garment sector's workforce is comprised of migrant workers, about 76 percent in 2017. Most represented countries include Bangladesh, India and Sri Lanka. Workers also come from Cambodia, Madagascar, Myanmar, Nepal and Pakistan. Figure 1 shows the percentage of nationalities represented in garment sector workforce accordingly to MoL's record

of valid work permits as of March 2018.

FIGURE 1. PERCENTAGE OF MIGRANT WORKERS IN THE



GARMENT SECTOR BY NATIONALITY¹⁴

Other Industries

According to the Jordan Chamber of Industry (JCI), there were some 1,560 companies in the 18 SEZs in 2016 and 936 of these companies were eligible to benefit from the simplified RoO. The majority of these companies fall under the small and medium enterprises (SME) category and employ 200 or fewer workers in each unit. Most factories have 50 or fewer workers. However, by the end of 2017, only 11 factories had received authorisation to export under the simplified RoO and only three have exported within this framework.¹⁵

1.3 INDUSTRY AND POLICY DEVELOPMENTS

Better Work country programmes operate in different contexts and regulatory frameworks, and each programme has been contextualized for the working environment. Accordingly, national and international developments in regulations and policy are of utmost importance for this report. The following presents some key developments relevant to the concerned industrial sectors in Jordan.

Incentives to recruit Jordanians

Beginning in 2017, the GoJ increased the work permit fee for employers recruiting foreign workers. For the garment sector, the GoJ decided to keep the work permit fee at JD 275 as long as the establishment's workforce is 30 percent Jordanian by January 2018 and 37 percent by January 2019. Factories will be required to reach a 50 percent local workforce by January 2021. Jordan's Cabinet also approved recommendations regarding initiatives for recruiting Jordanians and new projects presented by the Economic Development Commission in a letter from the Prime Minister. The scheme also adopts several incentive schemes including recruitment initiatives that cover certain financial contributions for new Jordanian workers during their first year and building and construction incentives. The decision was made with the aim to motivate employers and investors to employ more Jordanians and increase the number of satellite units.

New Minimum Wage

In February 2017, the Cabinet increased the minimum wage from JD 190 to JD 220 per month for Jordanian workers covered under Labour Law 8/1996 and its amendments. The minimum wage remained at JD 110 for foreign workers in the garment industry and JD 150 for foreign workers in non-garment sectors. Concerned with the two-tier minimum wage in the garment industry and likelihood of increased pay discrimination between Jordanians and migrant workers, garment sector stakeholders negotiated a new Collective Bargaining Agreement (CBA) in March 2017 (see paragraph below). The new CBA incrementally increased the wages for Jordanian garment workers and wage payment and in-kind for migrant workers. Overcoming discrimination in pay has been one of the top priorities for Jordan's garment sector in the past decade.

Revised Collective Bargaining Agreement

The new CBA incrementally increases wages over two years for both Jordanian and foreign workers. Jordanian workers receive a JD 15 increase, bringing their wages to JD 205 in 2017, and another JD 15 raise in

2018, resulting in a minimum wage of JD 220. Migrant workers are provided an increase in cash wages of JD 7.5, bringing their wages to JD 117.5 in 2017. In 2018, their cash wages increase again by JD 7.5, resulting in total cash wages of JD 125. The CBA references a study that values the in-kind portion of migrant workers' wages such that their total wages (in-kind plus cash) equal the cash wages paid to Jordanian workers in both 2017 and 2018.

Additional changes between the new and the previous CBA include using a Unified Contract for Refugees when hiring workers with refugee status, and removal of requirements for transportation and seniority bonus, among others.

The first sector-wide CBA was signed in May 2013 and the second in 2015. While the industry has made commendable progress in negotiating and implementing the CBA, there remain areas of further improvement. All 74 factories included in this report have started to implement some requirements of the CBA, if not all. While BWJ commends the stakeholders' prompt action, there needs to be increased transparency and greater involvement of workers in the negotiation process. The programme hopes that the next CBA will be negotiated with greater transparency and is keen to help to ensure ILO support to the process in the future.

1.4 BETTER WORK JORDAN

Better Work was launched in Jordan in 2008 at the request of the GoJ. The goal of the programme is to reduce poverty by expanding decent work opportunities of the garment industry. The programme also aims to improve the competitiveness of the industry by ensuring enterprise compliance with the Jordanian Labour Law and International Core Labour Standards. BWJ's mandate is to assess and promote compliance with labour standards in the garment exporting factories as well as factories benefitting from the European Union's simplified RoO.

The programme began providing its core services – assessments, advisory and training – starting 2009. Each assessment consists of a two-day visit and includes document reviews, factory observations and

interviews with workers, supervisors and managers. Building on these assessments, BWJ offers support to factories to improve their compliance through advisory and training services. This three-fold approach at the enterprise-level allows the programme and factories to not only identify issues but also creates the scope to address such issues.

The United States Agency for International Development (USAID) funded the programme from 2009 to 2014. The United States Department of Labor (USDOL) became the programme's major donor in 2014. In 2017, the European Union started funding activities related to BWJ's activities outside the garment sector and selected capacity building initiatives with national stakeholders.

Since its inception, the programme has grown along with Jordan's exporting garment industry. In 2010, the MoL made enrolment in BWJ mandatory for factories exporting garments to the United States and Israel as a way to encourage factory participation in the programme. In 2010, some 20 garment factories were enrolled in BWJ. By the end of 2017, 79 factories are registered in BWJ – 47 direct exporters, 19 subcontractors and 13 satellite units. The programme saw an increase in enrolment during the second half of 2017 as several factories opened new units, including satellite factories. Another eight garment factories should participate in BWJ according to the MoL. BWJ received names of two additional garment factories from suppliers who should enrol in the programme.

The programme's tripartite Project Advisory Committee (PAC) continues to play a key role in building support from stakeholders, identifying challenges and building consensus around solutions.^{xvi} Throughout the year, BWJ hosted regular PAC meetings to discuss updates and challenges.

In addition to its factory-level engagement, BWJ engages with national stakeholders and collaborates with relevant departments within the ILO to build the capacity of national institutions, strengthen inspectorate systems, informing reforms and strengthening industrial relations and social protection systems. Throughout 2017, BWJ expanded its formal collaboration with national and international stakeholders. The

programme signed important collaboration agreements with the Social Security Corporation (SSC) and the Jordan Chamber of Industry (JCI). As a part of the programme's sustainability strategy in the country, BWJ is actively working with inspectors and officers from the MoL and SSC to deliver some of its core services. The programme's capacity building activities and engagement with national and international stakeholders are discussed further under Section 1.5.

Partnership and close collaboration with brands and retailers are key to driving change in the global garment industry. Responsible brands and retailers are critical to improving and sustaining working conditions. The programme continued its engagement with different brands and retailers throughout 2017. Engagement channels include, but are not limited to, annual Forums, implementation of joint programmes, and working together on specific issues among suppliers. BWJ has also been actively engaging with new buyers, particularly European brands in context of the simplified RoO. The programme's compliance information and data allow a unique insight into the industry as well as compliance trends.

1.5 BETTER WORK JORDAN HIGHLIGHTS

Better Work Jordan's Country Strategy 2017-2022

BWJ entered its third phase during the second half of 2017. Under the new strategy, BWJ will continue to deliver its core services with a greater focus on improving efficiency and impact. The programme will have a greater ambition to work more closely with national stakeholders and gradually enable them to deliver some of BWJ's activities. Beyond simply promoting compliance, this will contribute to a more prominent role for national stakeholders in advising and training enterprises and in promoting industry competitiveness. This was noted as a basis for sustainability of the programme's efforts in Jordan. In addition to delivering services to exporting garment factories, BWJ is expanding its services to non-garment sectors under the EU's simplified RoO initiative for Jordan. The key driving force behind this is to ensure decent working conditions for all.

Continued collaboration with the Ministry of Labour

During 2017, BWJ enjoyed a continued and enhanced cooperation with the MoL. The updated agreement signed in December 2016 came into effect during the reported period, and throughout the year, the two parties engaged extensively. This included regular meetings and discussions, joint assessments, and training on specific topics, such as sexual harassment prevention. In late 2017, the two parties agreed on an implementation plan for the collaboration agreement. Under this plan, each party will appoint a focal point to regularly update on activities, meet on a quarterly basis, and arrange joint workshops on human trafficking, sexual harassment prevention and state of worker dormitories. BWJ will train inspectors via classroom and field training, including on modules related to Better Work's compliance tool and assessment reporting. The MoL will also train selected Better Work Jordan Enterprise Advisors (EAs) on relevant topics. BWJ's office seconded three Labour Inspectors in 2017, who are fully trained on the Better Work approach. BWJ will continue this secondment effort in 2018 and beyond. Starting 2018, the programme will second three inspectors for four months throughout the year. According to this plan, 12 inspectors will be thoroughly trained on Better Work tools and services by the end of 2018.

New collaboration agreements

Jordan Chamber of Industry (JCI) supports national industrial development through its contribution to the industrial policy framework, backing the interests of both industrial and vocational bodies and through promoting cooperation between local and international partners. In April 2017, BWJ and JCI signed a memorandum of understanding (MoU) aimed at improving the economic performance of local enterprises while improving their compliance. This agreement formalized BWJ's existing collaboration with JCI and is expected to facilitate the programme's expansion beyond the garment sector. Under this two-year agreement, BWJ and JCI will exchange technical expertise and jointly develop Jordan's industrial sector.

BWJ and the Social Security Corporation (SSC) signed a MoU in August 2017, which enacted cooperation to improve the provision of safer working conditions, especially around occupational safety and health across manufacturing enterprises across Jordan. As per the agreement, the agencies will cooperate on raising awareness and education on occupational safety and health (OSH) across the sector, verify its implementation and help improve where needed and exchange technical expertise.

Collaboration with the European Union

In April 2017, the MoL, EU and ILO signed a one-year project agreement aiming to provide job matching services to Jordanians and Syrian refugees as well as ensuring decent working conditions. Under this agreement, the ILO coordinated with the MoL and the UNHCR to set up an employment office in Jordan's Za'atari camp. The office is set up to counsel refugees on how to find jobs, organize job fairs and facilitate access to work permits in agriculture and construction while identifying those suitable for the manufacturing sector. In order to ensure decent conditions in factories, BWJ is extending its operations to further manufacturing sectors exporting to the EU under this scheme and has prepared the necessary tools to deliver its core services.

Employment of Syrians in Jordan's manufacturing sector

So far, BWJ's primary role and focus under Jordan's refugee response have been to ensure that those employed in Jordan's apparel sector are working in decent conditions. As mentioned earlier in this report, BWJ is prepared to expand its services to other sectors authorised to export to the EU under the simplified RoO. In addition, BWJ has been collaborating with the UNHCR since early 2016 and continues to support their livelihoods efforts.

During 2017, at the request of BWJ, a capstone team from Columbia University's School of International and Public Affairs (SIPA) prepared a report on labour market integration of Syrian refugees in Jordan.¹⁶ The

team provided BWJ with a comprehensive overview of the situation in Jordan's exporting manufacturing sector and integration of Syrian refugees as well as recommendations for the programme to counter relevant challenges. Key recommendations for stakeholders included improving employment processes, addressing labour market and work permit information asymmetries, increasing competitiveness of the export industry and improving working conditions in factories, especially for women.¹⁷

Stakeholders' Forum 2017

On July 5 and 6, 2017, BWJ organized its ninth Annual Forum bringing together government representatives, buyer representatives, employers, workers and members of various international and national organizations. On the first day, participants discussed challenges with the implementation of the CBA, meeting acceptable OSH standards, the inspection and operation of heavy machinery, and hiring persons with disabilities. The buyer representatives showed their support for Better Work's transparency reporting scheme and proposed BWJ to communicate crucial points about the transparency portal to all suppliers. Participants also commended the agreement between Jordan's ministries of Labour and Health on the inspection of factory dormitories.

The second day of the Forum brought together government representatives, global brands, factory owners, unions, workers and representatives from international and non-governmental organizations. Discussions highlighted the recent expansion of BWJ to non-garment sectors. International buyers and Jordan's manufacturers discussed ways to attract new investment to the country, create decent jobs and taking the sector 'beyond compliance.' Industrial sector stakeholders and government representatives also discussed initiatives aimed at creating more jobs for Jordanians and the inclusion of Syrian refugees. Stakeholders stressed their commitment to partnership and cooperation in the interest of strengthening Jordan's manufacturing industry and improving conditions for workers.

Enhancing the Productivity in Jordanian SME Garment Factories

The project 'Productivity in Jordanian SME Garment Factories', funded by the IFC and implemented by BWJ, aims to increase productivity among Jordan's satellite garment factories. The project offers advisory and training initiatives for factories to increase their efficiency as well as soft skills training for workers and supervisors. The design combines various aspects of productivity and importance of sound labour standards. A key idea behind this project is to show that good working conditions and some technical investment can help make the satellite unit model more productive. BWJ has been implementing the project in satellite units since May 2017 with the help of a technical expert.

As the project proceeds and as the number of satellite units in Jordan increases, findings from this project can help guide manufacturers and the GoJ in creating a sustainable model to encourage employment of rural Jordan women in the manufacturing sector. BWJ plans to draft a policy paper with relevant observations and recommendations towards the end of the project later in 2018.

Transparency Portal

Transparency and accountability are fundamental to Better Work. Transparency has the potential to stimulate factory progress, improve working conditions, bolster the competitiveness of the sector and encourage ethical sourcing. Public reporting is the publication of factory compliance and non-compliance with selected issues. Public reporting helps provide a balanced view of the industry. It shows both the positive and the negative, and ensures the reputation of both individual factories and the industry as a whole are not damaged by a minority of poorly performing factories. It also enables buyers to reward factories with good compliance levels and allows governments to use their resources more effectively to target those with poor performance.

Public disclosure was first launched with Better Factories Cambodia (BFC) in 2014. Experience from Cam-

bodia has provided evidence that factories improved their compliance faster while also increasing revenue. Public reporting also provides an accurate state of the industry's compliance and rewards good performance.

In November 2016, the MoL announced a public reporting requirement for all factories participating in BWJ. Public reporting was one of the conditions set for the recent loan provided by the World Bank to the GoJ to help boost the country's economy. The Transparency Portal was launched in July 2017.¹⁸ Although the Portal was initially met with some resistance, manufacturers have started to see the added value of greater transparency. Noncompliance on selected issues is reported on the Transparency Portal for all factories that have completed at least two cycles (two years) of BWJ services. BWJ reports on 29 issues, and the Portal currently provides data for 67 factories by name on the website. Among these 67 factories, only four were compliant with all 29 publicly reported issues. Detailed findings are reported in Section 2.3.

ILO General Principles and Operational Guidelines for Fair Recruitment

In January 2018, BWJ, in collaboration with the ILO's Fundamental Principles and Rights at Work Branch, organised meetings to inform constituents about the ILO's recently adopted Fair General Principles and Operational Guidelines for Fair Recruitment. A BWJ Project Advisory Committee (PAC) meeting focused specifically on the principle that no recruitment fees should be paid by workers, and the PAC agreed that starting January 1, 2019, employers in Better Work garment factories will ensure that workers in the garment sector pay no recruitment fees.



Five
Industry
Seminars



79
Factories



366
Advisory Visits



74
Assessment
Reports



174
Training
Sessions

2,715
Workers,
Supervisors
and Managers



Three
Collaborations
Agreements

1.6 FACTORIES IN THE SAMPLE

The compliance data reflects assessment findings between January and December 2017 in 74 factories. Among these factories, 45 are direct exporters, 16 sub-contractors and 13 satellite units. Seven of these factories were new to the programme and had finished the first Cycle. In total, the factories employ some 62,000 workers. About 46,600 of the workers are female and about 48,400 are migrants.

About 10 percent of the factories were in Cycle 1. Over 40 percent of the factories were in Cycle 7 or above, indicating longer relationship with BWJ. The majority of factories finished Cycle 5 and above. Fifty percent of factories employ 500 or more workers, and only 9 percent employ 100 or fewer workers. As in previous years, the majority of the factories are direct exporters.

Better Work Methodology and Limitations are included under Annex C.

FIGURE 2. BETTER WORK CYCLE

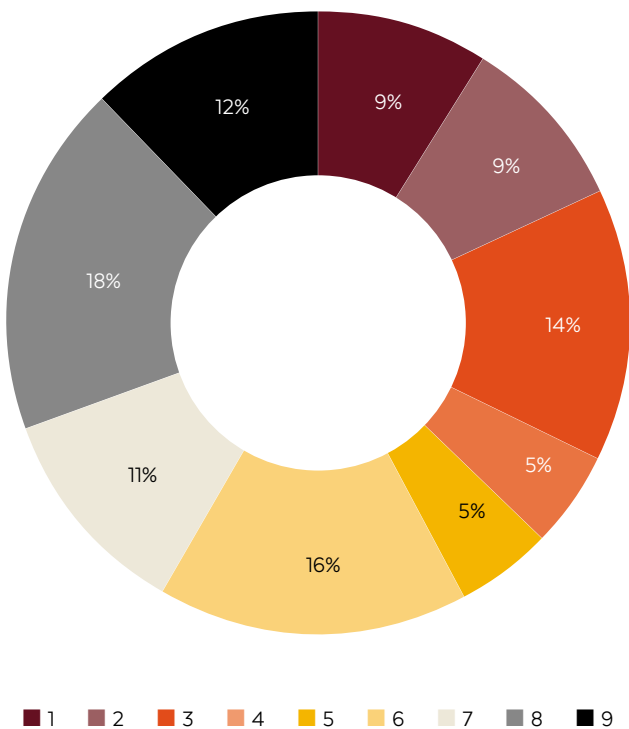


FIGURE 3. FACTORY SIZE

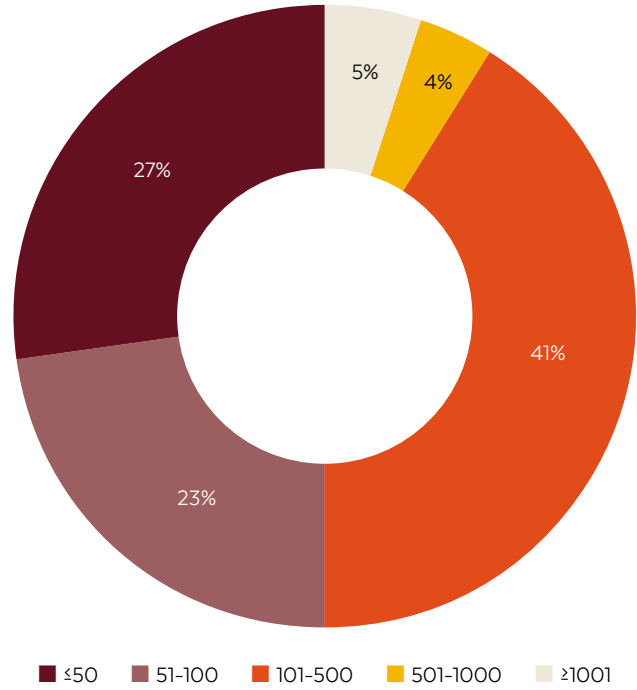
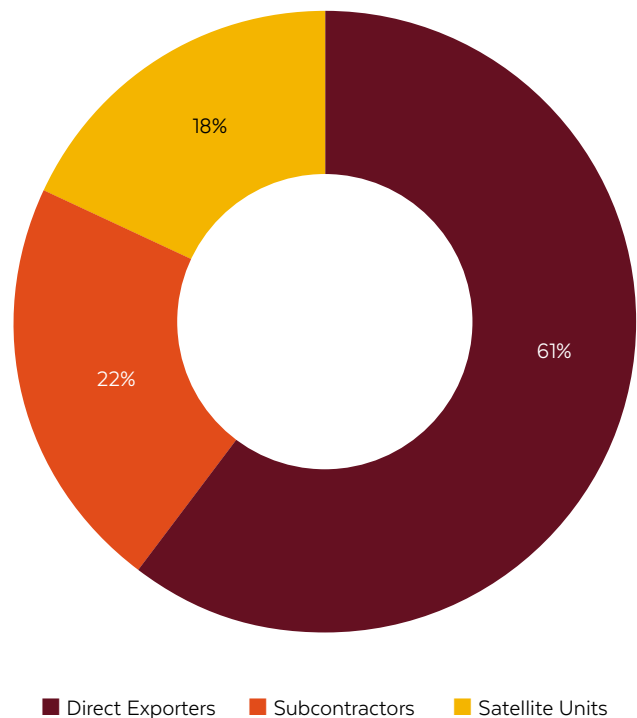


FIGURE 4. FACTORY TYPE

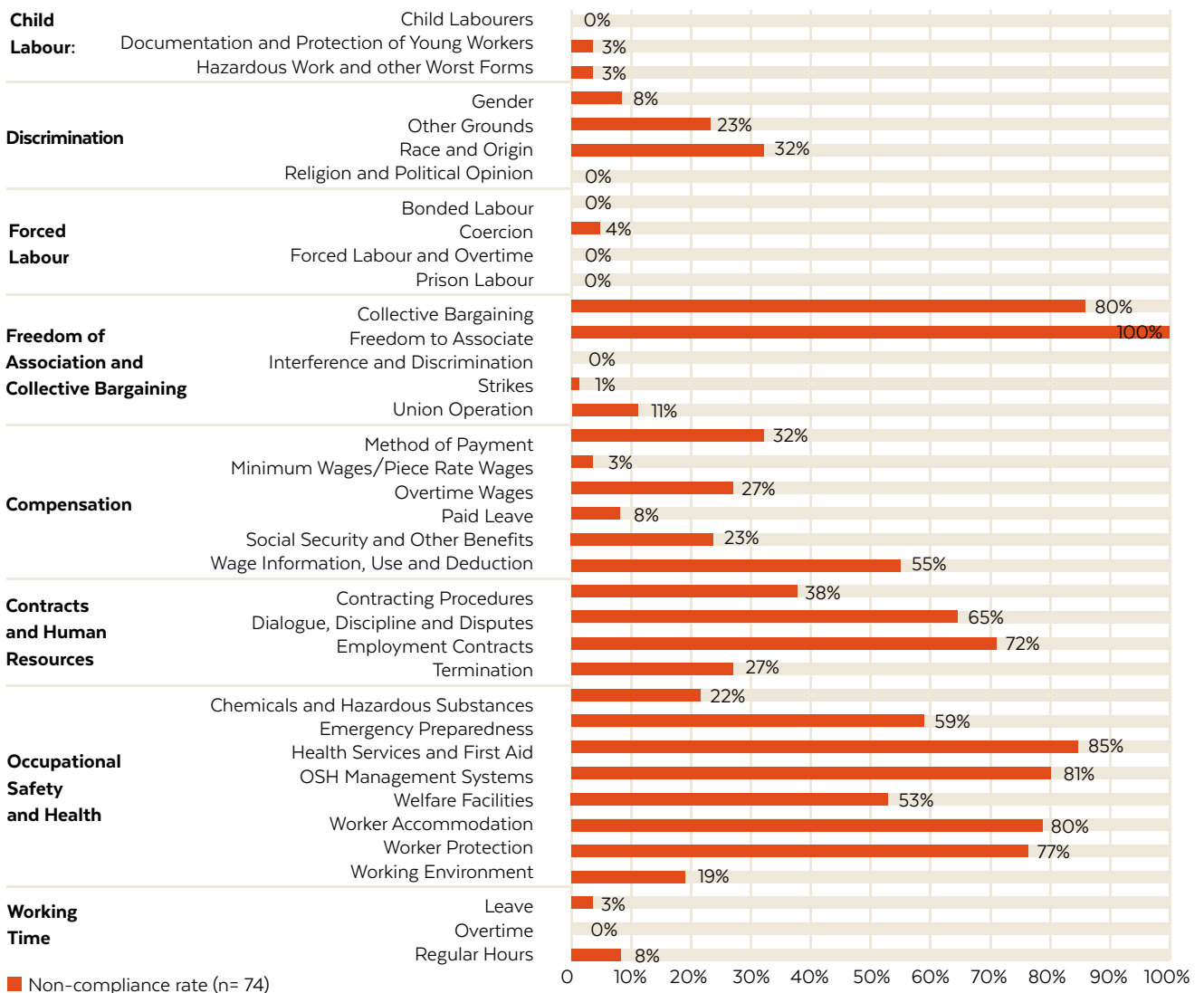


Section II: Findings

2.1 COMPLIANCE SITUATION

This section of the report presents compliance situation among the 74 factories assessed between January and December 2017. Figure 5 shows the aggregate non-compliance rate among these factories for each cluster point under the eight Core Labour Standards and Working Conditions clusters. Detailed discussions are presented in Section 2.2.

FIGURE 5. NON-COMPLIANCE RATE BY CLUSTER POINT



2.2 DETAILED FINDINGS

Child Labour

As per Article 73 in the Jordanian Labour Law, the legal minimum age for employment is 16 and workers below the age of 18 are considered juvenile. Juveniles can work in factories under certain conditions, including limited tasks and restricted working hours. The Law requires that juveniles should not work more than six hours per day, more than four hours without an hour break and should not work at night. Although not specified explicitly, the Labour Law is applicable to both Jordanians and non-Jordanians. Recruitment of migrant workers below the age of 18 is considered as human trafficking under the Anti-Trafficking governmental unit rules.

Child labour related to migrant workers is often difficult to prove since they may have obtained official passports with forged birth certificates. Passport forgery can take place individually or through recruitment agencies. Although BWJ did not find such cases in 2017, the programme cannot claim that this practice does not exist. In order to overcome and prevent these cases, employers and recruitment agencies should be held accountable for document verification. Prevention of migrant child labour largely depends on reliable recruitment agencies. Ultimately though, it is the employers' responsibility to verify workers' age.

Although Jordan has seen an overall increase in child labour in recent years, BWJ has not observed this trend in the exporting garment industry.¹⁹ When cases of child labour are discovered in participating factories, BWJ reports the case to the MoL under the established zero-tolerance protocol, who then follows up on the cases with relevant ministries and organisations.

No underage workers were found in the factories assessed between January and December 2017. However, it is inaccurate to strongly claim that all factories are free of underage workers at all times. In the assessments, BWJ did not find evidence of child labour, but risk factors remain due to inadequate documentation. Two factories under the same management were found non-compliant with documentation requirements for

juvenile workers and the same two factories were found employing juvenile workers for longer hours than allowed by law, which is considered hazardous for young workers. Both factories were found non-compliant on the same issues in their previous cycles.

TABLE 1. IN FOCUS: CHILD LABOURER

COMPLIANCE QUESTION	# OF FACTORIES FOUND	NC RATE BY QUESTION
Do workers who are under age 18 perform work that is hazardous, including working overtime, at night, or more hours than allowed by law?	2	3%
Does the employer comply with documentation requirements for workers under age 18, and have a reliable system in place to verify the age of workers prior to hiring?	2	3%
Does the employer subject any workers under age 18 to the unconditional worst forms of child labour?	0	0%
Have you found any workers under the age of 16?	0	0%

Discrimination

The majority of non-compliance findings under Discrimination are related to Race and Origin (32 percent), Other Grounds (23 percent) and Gender (8 percent). As reported in previous years, noncompliance primarily stems from differences in wages and financial benefits between Jordanians and migrant workers. Gender differences commonly originate in workers' home countries, where BWJ has consistently observed differences in recruitment fees paid by females and males in some countries. Discrimination under Other Grounds relates to a failure to meet quota requirements on hiring persons with disabilities.²⁰

GENDER

Discrimination under gender relates to recruitment fees paid by migrant workers. While monitoring the collection of recruitment fees in the country of origin can be challenging, BWJ continues to report and advise factories on fair recruitment practices and to highlight any discrepancies. Interviews with migrant workers during assessments has helped BWJ to record and observe recruitment fees paid by workers of various nationalities.

In 2017, five factories were found referring to applicant's gender or using gender as a deciding factor in hiring and for other workplace opportunities. In four of these factories, Sri Lankan male workers were found paying USD 225 higher in recruitment fees than Sri Lankan females. Male Nepalese workers were recorded paying USD 472 more on average than female Nepalese workers in two factories. BWJ considers this difference in fees paid as discriminatory based on gender. Such discrepancies reflect the unofficial lower demand for male workers. The high amounts paid by male workers are further cited in noncompliance under Contracts and Human Resources for payment of unauthorized fees to recruitment agents. It is pertinent to acknowledge that this non-compliance has dropped since the previous report – from 31 percent factories in 2016 to about seven percent in 2017.

Although not reflected in the compliance data, BWJ continues to note the prevalence of required pregnancy tests for newly recruited migrant workers. These tests are not reported as non-compliance since the factories are not requiring the tests from workers. However, newly recruited migrant workers continue to report having to take pregnancy tests before their departure. This was documented in 44 factories in 2017 during interviews with newly recruited Bangladeshi, Nepalese and Sri Lankan female workers. Management in all 44 factories noted that this a requirement set by the recruiting agency and not the employer, and some factories presented official letters and documents showing that the factory had not required pregnancy tests for female workers.

BOX 1. SEXUAL HARASSMENT IN THE WORKPLACE

Sexual harassment is a major area of concern for Better Work and tackling it is a key component of ILO's efforts towards combatting discrimination at work. Sexual harassment is defined as the unwelcome conduct of a sexual nature that makes a person feel offended, humiliated or intimidated. Key drivers of sexual harassment in garment factories include misaligned incentives, low organisational awareness and lack of behavioural norms and having few alternative job options.

Although widely underreported, sexual harassment has long been an issue in the global export-oriented garment industry. While no cases of non-compliance were found during this reporting period, investigating and proving such cases remain inherently difficult and it is therefore misleading to claim that factories are free of such cases. Workers often lack both awareness of their rights and the confidence to come forward with such complaints. These factors, along with weak referral systems, social stigma, internalisation and lack of protection, lead to a likely large number of unreported cases.

BWJ collects information on sexual harassment using a variety of techniques, including document reviews and worker and manager interviews. Drawing an accurate picture of the extent and nature of sexual harassment in garment factories remains challenging.

Workers' concerns and experiences of sexual harassment in factories were analysed in the Tufts Independent Impact Assessment of Better Work.

In addition to having detrimental effects on workers' physical and psychological health, sexual harassment can also negatively affect workplace communication and productivity. Evidence from Tufts' impact assessment indicates that firms where sexual harassment is more prevalent, individual productivity and average profits are lower. The assessment results show that the output efficiency reported by managers is significantly lower in factories where workers have high concerns about sexual harassment.

The impact results show a persistent improvement in Jordan, demonstrating a positive impact of Better Work. In Jordan, participation in Better Work reduced the portion of workers concerned with sexual harassment by 18 percentage points. Summary of the impact results can be found [here](#).

Better Work's three-level approach – assessment, advisory and training – at the factory-level have an important role in addressing and preventing sexual harassment in the workplace. The results from Tufts suggest that the change was driven by a combination of these interventions. This includes the compliance assessments, introduction of anti-sexual harassment policies and targeted training services.

One factory was found factoring gender into decisions regarding conditions of work, where interviewed female workers reported having to return to their dormitory by 9:00 pm. This curfew did not apply to male workers, who were allowed greater freedom of movement. The management cited security concerns for this policy. Regardless of the reasons, such policies restrict the workers' freedom of movement and should be amended. This factory is also reported as non-compliant under Forced Labour due to the restrictions on freedom of movement.

OTHER GROUNDS

In an agreement between the MoL, the employers association and the union, factories are required to hire persons with disabilities based on the number of Jordanian workers (excluding migrants) in the workplace. If a factory employs 25-50 Jordanians, they must employ at least one person with a disability. If the factory has more than 50 Jordanian workers, persons with disabilities should make up at least four percent of the workforce. During 2017, 17 factories did not meet the legal quota for employing persons with disabilities. The breakdown of factories not complying with this requirement is presented in Annex D. All factories reported hiring at least one person with disabilities, indicating that all factories had tried to employ persons with disabilities. Majority of factories had met at least 50 percent of the required quota. Factories often cite difficulties recruiting persons with disabilities, especially factories hiring a large number of Jordanians.

RACE AND ORIGIN

Discrimination under Race and Origin regarding pay is a result of inaccurate calculation of overtime wages and other financial benefits, especially for migrant workers. In 2017, 24 factories were found to calculate overtime payments, social security payments, and annual leave differently for Jordanian and non-Jordanian workers, which disproportionately affects certain groups of workers on the basis of prohibited grounds. The fraction of factories in noncompliance has decreased from 73 percent in 2016 to 32 percent in 2017, indicating important progress in the industry.

BWJ found three factories that provide shorter working hours for Jordanian workers than for non-Jordanian

workers during the month of Ramadan, regardless of the worker's religion. While it is important for employers to accommodate workers' religious practices, these differences in working hours disproportionately affect certain groups of workers on the basis of prohibited grounds. The share of factories in non-compliance decreased by 21 percentage points, indicating improved practice in the industry.



BOX 2. WORKING HOURS DURING RAMADAN AND GOOD PRACTICE

In the past years, BWJ had been reporting cases of discriminatory working hours during Ramadan for Jordanian and non-Jordanian workers. In most cases, Jordanian workers are granted shorter working hours than non-Jordanian workers, which is considered discrimination based on nationality.

In 2017, BWJ documented two factories employing equal working hours for all workers during Ramadan. During that particular month, the factories shortened the workday to seven regular working hours for everyone, and counted any hours beyond that as overtime. BWJ notes this as a good practice since this policy does not discriminate workers based on nationality, race or religious affiliation.

TABLE 2. IN FOCUS: RACE AND ORIGIN

COMPLIANCE QUESTION	# OF FACTORIES FOUND NC	NC RATE BY QUESTION
Is race, colour, origin or citizenship status a factor in decisions regarding pay?	24	32%
Is race, colour, origin or citizenship status a factor in decisions regarding conditions of work and/or opportunities for promotion or access to training?	3	4%
Is an applicant's race, colour, origin or citizenship status referred to in recruitment materials and/or a factor in the employer's decisions regarding hiring, termination or retirement of workers?	0	0%
Is there harassment of workers on the basis of race, colour, origin or citizenship status?	0	0%

Forced Labour

In 2017, all non-compliance found under Forced Labour was related to the Coercion cluster point. Since the majority of workers in the garment industry are non-Jordanian, BWJ pays special attention to ensuring that workers have access to their passports and that their permits are renewed in a timely manner. In some cases management states that they keep workers' documents for security reasons – this practice cannot be justified. Certain findings relating to forced labour are considered as zero-tolerance and are followed up with the MoL, who then take appropriate action. During 2017, two factories were found denying workers access to their personal documents.

In one factory assessed in December, management kept the passports of all new migrant workers who had joined work starting in August 2017. The factory reported having financial problems and not being able to issue permits on time. The case was immediately reported to the MoL, who required the factory to return all passports by December 30, 2017. On January 7, 2018, BWJ received a letter from the MoL confirming that all passports had been returned to the workers.

In another factory, interviewed migrant workers stated that management kept workers' passports for security purposes. The workers noted that they could take their passports back if needed. However, no evidence was provided to indicate workers' consented to this practice and that the passports were easily accessible. The case was reported to the MoL under the zero-tolerance protocol. The MoL followed up and sent a letter to BWJ confirming that the factory had agreed to return all passports, and that they would keep a written agreement if any worker wanted the management to store their documents. BWJ confirmed during an advisory visit that all passports had been returned.

One factory was found restricting workers' freedom of movement. Interviewed female workers stated that they were required to return to their accommodations by 9:00 pm, and were not allowed to leave until the following morning. This is the same factory reported non-compliant under Discrimination based on gender.

Freedom of Association and Collective Bargaining

The Jordanian Labour Law specifies a single trade union structure, and consequently forbids workers from freely forming a union of their choosing. Under the law, workers who want to become union members must join their sector's union. Since the Freedom of Association (FoA) cluster is assessed against International Core Labour standards, all factories are non-compliant with workers' freedom to form and join unions, and unions' freedom to form and join federations and confederations of their choosing. The FoA cluster point has, therefore, a 100 percent non-compliance rate.

COLLECTIVE BARGAINING

As discussed earlier in this report, the industry has negotiated three agreements to date. The first CBA was signed in 2013, which was followed by an addendum regarding calculation of overtime and benefits in 2014 and the second two-year CBA in 2015. Although scheduled for August 2017, the employers and the union brokered the third CBA in March 2017 to include the change in minimum wage and to seek to overcome noncompliance findings on pay discrimination. The abrupt change led to some confusion among employers, workers and BWJ during the first half of 2017, most of which was resolved by the end of the year.

In 2017, 64 factories failed to implement one or more requirements in the garment sector's CBA and nine factories did not inform their workers about the CBA. Among the factories where workers were not informed about the CBA, five factories did not post the necessary information on their workplace boards.

The fraction of factories unable to implement CBA requirements is about the same as the previous year. While six factories were able to fully implement the CBA in 2016, 10 factories successfully managed to do so in 2017. On average, factories were non-compliant with two requirements in the CBA. The highest lack of implementation was recorded for maintaining dormitories in line with Ministry of Health (MoH) standards followed by using the Unified Contract when hiring and renewing contracts and establishing a joint union-management committee.

STRIKES

One factory was found punishing workers for participating in strikes and had fired 20 workers during a strike. The management presented a letter that workers missed work for more than 10 consecutive days and were fired on this basis. Workers stated that the management would not give them severance pay until they signed these resignations. In addition, workers stated that they only received rice and lentils while they were on strike. Management stated that this was a form of punishment. Workers also stated that there was no electricity in dorms for two and a half days. Male workers stated that their dorm did not have water for 15 days during the MoL factory shutdown. This particular factory

enrolled in BWJ only in February 2017, but was soon shut down by the GoJ in September 2017. The workers were transferred to other factories in the area.

UNION OPERATIONS

As per the sector-wide CBAs of 2017 and 2015, employers are required to deduct JD 0.5 from monthly salaries of workers who are union members and to deposit to the Union's bank account by the 15th of each month. In 2017, five factories were found non-compliant with this requirement. Cases include situations in which the employer paid the dues on workers' behalf, deducted membership fees without workers' consent or knowledge (in two factories), lacked a register to keep track of union membership (in one factory), and delayed deducting the fee even when the workers had consented.

Unrestricted union access to the workplace and notice boards are mandated by the CBA. Two factories obstructed union access to workplace bulletin boards. No union posters or contact information was posted on the factory's notice boards. In one factory, management did not allow union officials to meet with workers. All interviewed workers in this factory were unaware of union membership and the CBA.

Compensation

Non-compliance under this cluster is related to the inaccurate calculation of wages, payment on time and erroneous wage deduction. Change in Jordan's minimum wage and the provisions in the new CBA signed in March 2017 led some confusion regarding wages and calculation of other benefits among industry stakeholders during the first half of 2017.

METHOD OF PAYMENT

According to Article 46 of the Jordanian Labour Law and Article 6 of CBA, employers are required to define a clear payment cycle with a set payday and workers must be paid wages and other financial benefits within seven days of the date their wages become payable. In 2017, 23 factories were non-compliant with paying workers their

salaries on time. This non-compliance has jumped from 21 percent last year to 31 percent in 2017. In 11 factories under the same management, interviewed migrant workers reported that since March 2017 they had been receiving their salaries within 10 to 15 days from the date wages become payable. In eight factories, workers received their base salaries on time, but their bonus, overtime or other payments were delayed and paid separately. The delay is for two to three weeks on average.

One factory did not comply with payment of in-kind wages as stated in workers' contracts. Newly recruited workers in this factory received the required amount of wages, but senior workers did not receive the correct in-kind amount. The management states that they ensured that all workers have a minimum wage of JD 205, inclusive of the in-kind wage.

OVERTIME WAGES

In 2017, 20 factories were documented not complying with the overtime wages on weekdays and 16 for public holidays. Similar to previous years, the majority of factories implemented inaccurate calculation of overtime wages, often not factoring in fixed allowances and other financial benefits.

BOX 3. OVERTIME WAGE CALCULATION

Employers must pay workers (including piece-rate workers) 125% of their normal wages for all ordinary overtime hours worked and 150% of their normal wages for all overtime hours worked on weekly rest days and public holidays. Normal wages include all entitlements and in-kind payments. If workers are paid a seniority bonus it should be included in the overtime calculation.

In-kind payments for migrants are JOD 60 as of August 8, 2016, JOD 87.5 as of March 1, 2017 and JOD 95 as of March 1, 2018.

For example, migrant workers in Factory A receive overtime payments based on a total of JOD 170, which includes of JOD 110 in-cash and JOD 60 in-kind as of August 2016. The factory management does not consider seniority bonuses while calculating overtime payment. As a result, the ordinary overtime calculation for migrant workers is incorrect.

MINIMUM WAGE

Two factories did not pay the least minimum wage for ordinary hours of work to regular full-time workers. In one factory, the management did not make accurate payments for ordinary hours worked and was paying JD 117.5 to migrant works as of March, 2017. In another factory, the management was paying all local workers JD 190 and migrant workers JD 110 per month, but did not receive the incremental increase as per the CBA. The assessment took place in April 2017.

PAID LEAVE

Six factories were non-compliant under Paid Leave. Two of the non-compliant factories did not pay workers correctly during the work stoppage and two factories did not pay workers correctly during sick leave. The remaining two factories failed to pay Jordanian workers correctly for their annual leave.

SOCIAL SECURITY AND OTHER BENEFITS

16 factories were non-compliant with both correctly calculating and sending employer contributions to the Social Security Corporation (SSC) and with collecting and forwarding workers' contributions. When calculating social security, employers should use the sum of basic salary and all financial benefits. In most cases, the non-compliant factories did not include seniority bonus when calculating social security.

Eight factories did not pay the required seniority bonus to workers. Seven factories did not properly implement the incremental increase in seniority bonus as prescribed in the 2015 CBA, and one of these factories did not implement this increase only for Jordanian workers. The new CBA signed in March 2017 no longer requires employers to pay seniority bonuses to workers and BWJ's assessment tool was updated to reflect this change. That is, factories did not pay seniority wages after March 2017 are no longer considered non-compliant. During the readjustment process, one factory was documented to have reduced the entitled amount of basic wage for some 24 workers, citing it was an additional bonus. However, the basic wage cannot be reduced according to the Jordanian Labour Law and this factory was cited as non-compliant.

BOX 4. CHANGES IN SENIORITY BONUS REQUIREMENTS

According to the CBA dated February 20, 2012, migrant workers were entitled to a one-time increase of JD 5 per month for each year of service, up to a maximum of JD 20 per month,

Another sector-wide CBA entered into on May 23, 2013, and required that all workers are provided an annual increase of JD 5 from the date of hiring through termination. This annual increase became effective on May 25, 2013 for non-Jordanians, and on January 1, 2014 for Jordanians, and takes into account all years of service as of the effective date.

A subsequent CBA became effective on August 1, 2015. The CBA required that all workers receive annual pay increases according to number of years of service as follows: an annual raise of JD 5 per year upon finishing each of the first five years of employment (for a total of JD 25 after 5 years), an additional raise of JD 6 upon finishing the sixth year of employment, and an additional raise of JD 7 upon finishing the seventh year of employment

The latest CBA effective as of March 1, 2017, removed requirements for any seniority bonus. That is, employer are no longer required to pay seniority bonuses to their workers. The change led to some confusion between workers and employers. In some cases, BWJ found some employers incorporating seniority bonus as a part of the increase in workers' wages.

WAGE INFORMATION, USE AND DEDUCTION

BWJ documented 31 factories making unauthorised deductions from workers' wages. In 26 of these factories, for workers who took hourly or full day leaves without informing management, their hourly or one day deduction rates were based on the monthly calendar days instead of the fixed 30 days per month as stipulated by the Jordanian Labour Law. For example, a worker with a basic salary of JD 205 and fixed 30 days a month for eight hours should have an hourly wage of JD 0.85. When the worker took a one hour leave, management deducted JOD 0.92 instead based on 28 calendar days.

More factories were documented complying with accurate payroll records, with 11 percent of factories non-compliant with keeping one payroll compared to 22 percent in the previous report. Although there is no legal overtime limit in Jordan, some factories conceal real hours worked in fear of retaliation from their buyers. However, accurate records are key in ensuring workers are compensated for their work. This progress is an important step in improving transparency in the industry.

BOX 5. WAGE DEDUCTION

According to Articles 46-49 and Article 55 of the Jordanian Labour Law and the garment sector CBA, wage deductions may be made for the following reasons:

- ◆ Reimbursement of loans to workers that extend beyond one month (deductions cannot exceed 10 percent of worker's wage)
- ◆ Full settlement of wage advances to workers that must be repaid during the same month
- ◆ Adjustment of overpayments
- ◆ Social security and savings fund contributions
- ◆ Other authorised deductions
- ◆ Income tax payments
- ◆ In-kind services provided by the employer (e.g., housing) as per agreed terms in the employment contracts.
- ◆ Debts arising from judicial verdicts
- ◆ Loss of or damage to the employer's materials or tools due to the worker's neglect or fault. Deductions for loss or damage to the employer's tools or materials should not exceed the cost of the item or the cost of repair, and no more than five days' pay should be deducted per month
- ◆ Damage arising from the worker's violation of the factory bylaws or employment contract
- ◆ Disciplinary fines imposed for violations included in the penalties list approved by the Minister, which should not exceed three days' pay per month.

TABLE 3. IN FOCUS: WAGE INFORMATION, USE AND DEDUCTION

COMPLIANCE QUESTION	# OF FACTORIES FOUND NC	NC RATE BY QUESTION
Has the employer made any unauthorized deductions from wages?	31	42%
Does the employer properly inform workers about wage payments and deductions?	9	12%
Does the employer keep only one accurate payroll record?	8	11%

Contracts and Human Resources

Given the dominance of migrant workers in the workforce, Contracts and Human Resources is a key cluster in ensuring human rights as well as the implementation of decent work for all. Non-compliance under this cluster oversees contracting procedures, employment contracts, dialogue and termination.

CONTRACTING PROCEDURES

Non-compliance under this cluster point is largely related to cases of unauthorised recruitment fees. During the assessment, factories with newly recruited migrant workers paying more than USD 300 are recorded as non-compliant. This is also applied even when the fees were paid to third parties. In general, high recruitment fees are a concern for BWJ and the ILO.

In 2017, 24 factories were documented with newly recruited migrant workers paying unauthorised recruitment fees and 13 factories not taking sufficient steps to ensure workers did not have to pay such fees. The fraction has decreased from 54 percent in 2016 to 32 percent in 2017 for unauthorised recruitment fees and from 36 percent to 18 percent for factories taking sufficient measures, showing some improvement in the sectors. In 12 of the 13 cases with insufficient steps, employers could not provide

the required documentation for Indian workers.²¹ In one factory, workers were hired through personal references and did not have all the necessary documentation.

Similar to previous years, male Sri Lankan workers were documented paying higher recruitment fees than female Sri Lankan workers. This was documented in five of the 10 factories that employed newly recruited Sri Lankan workers. Sri Lankan male workers were recorded paying up to USD 500. This is also recorded under Discrimination based on Gender.

Eight factories had newly recruited Nepalese workers. The workers reported a wide range of fees – from zero recruitment fees to as high as USD 990. On average, Nepalese males were documented paying USD 472 higher fees in two factories.

BWJ interviewed newly recruited Indian workers in 21 factories. In 17 of these factories, Indian workers were documented paying excessive recruitment fees, reaching up to USD 1,500 in one factory. The programme has consistently documented and reported the prevalence of high recruitment fees among Indian workers in Jordan. The prevalence of middlemen in the recruitment process is a likely reason for this. The majority of interviewed workers comment that they took the help of middlemen in villages to get connected to recruitment agents or agencies in the cities.

Only two factories had newly recruitment Malagasy workers, who on average paid between USD 300 to 385 in fees. There were newly hired Pakistani workers in four of the 24 non-compliant factories, who had either paid no recruitment fees or were reimbursed by the factory.

Newly hired Bangladeshi workers were interviewed in 16 factories. The majority of workers paid between USD 190 to 250. According to CAT, this amount is lower than the USD 300 threshold.

In six factories migrant workers did not have valid work permits and residence IDs. This is a concerning issue as it can potentially restrict a worker's movement. Major issues included expired permits and improper transfers. In one case, workers were moved to a different factory under the same management, but the permits were not transferred properly.

BOX 6. ILO GENERAL PRINCIPLES AND OPERATIONAL GUIDELINES FOR FAIR RECRUITMENT

The ILO adopted the General Principles and Operational Guidelines for Fair Recruitment in September 2016. The principles and guidelines are a foundation for ILO programmes on recruitment, and draw on a number of international labour standards and related ILO instruments, as well as good practices. These principles and guidelines are meant to cover the recruitment of all workers, whether directly by employers or through intermediaries. The principles and guidelines can be accessed via the ILO website.

Migrant workers commonly pay fees to agencies or brokers to find work abroad. High recruitment fees can leave workers with debt bondage and at greater risk of exploitation. The principles and guidelines acknowledge this under General Principle 7, which states:

No recruitment fees or related costs should be charged to, or otherwise borne by, workers or jobseekers.

Since BWJ works with a sector that employs a large number of migrant workers, the programme acknowledges its role in implementing fair recruitment policies and sharing any insights on the state of migrant workers in participating factories. Currently, any factory with newly hired workers who have paid fees over \$300 are reported as non-compliant. BWJ will incorporate the principle that workers should not pay recruitment fees in its CAT. Implementation will be phased in to allow time for employers to ensure that workers do not pay recruitment fees and to reimburse new workers for any fees they have paid.

In order to discuss this, national stakeholders, BWJ and the ILO Fundamental Principles and Rights at Work branch, organised a PAC meeting in January 2018. Following the discussion, it was agreed that the industry would actively work towards zero-fee policy and BWJ would start reporting any recruitment fee as non-compliance starting January 1, 2019.

EMPLOYMENT CONTRACTS

Employment contracts were non-compliant with the Jordanian Labour Law and the garment sector CBA in 35 factories. Employers are required to provide the contract in Arabic as well as the worker's language, and all migrant workers are required to be hired or re-contracted using the unified contract. These instruments are in place to ensure workers are contracted in a transparent manner. In 10 factories under the same management, Bangladeshi, Indian and Nepalese workers had only signed the English component of the unified contract, and the factories were not using the mandated template for Sri Lankan workers. Four factories did not use the unified contract for Burmese workers. In two factories under the same management, BWJ found an illegal clause in the Jordanian workers' contracts which states that the employer was entitled to transfer the worker to any position at any given time. The factory was not practicing this clause and pledged to remove it from their files. In most of the remaining cases, the factories hadn't translated the contracts into all required languages.

The contracts are available in all relevant languages on the BWJ website, and have been shared with factories since 2015. Factories often complain that they have to print each contract in three languages – Arabic, English and the worker's language – about 27 pages per worker. While it should be acknowledged that the required paperwork is extensive, employers are accountable for ensuring that this requirement is met and contracts are available in all relevant languages.

Thirty one factories did not have bylaws that comply with Jordanian legal requirements and/or did not communicate them to workers. In majority of these cases, the factories had not translated the bylaws to the workers' languages or had translated only the disciplinary measures component. The fraction of non-compliant factories has gone up from 13 percent to 42 percent. In addition, more factories were not complying with providing workers with a copy of their contracts, increasing from 15 percent in 2016 to 38 percent in 2017. Factories commonly cite reasons

related to the large of amount of printing and paper-work, and in some cases, the bylaws were yet to be approved by the MoL. This issue is more common among the bigger factories employing workers from various nationalities.

TABLE 4. IN FOCUS: EMPLOYMENT CONTRACTS

COMPLIANCE QUESTION	# OF FACTORIES FOUND NC	NC RATE BY QUESTION
Do the employment contracts comply with Jordanian legal requirements?	35	47%
Do the factory bylaws comply with Jordanian legal requirements and were they communicated to workers?	31	42%
Does the employer provide workers with a copy of their contract?	28	38%
Do the employment contracts specify the terms and conditions of employment?	4	5%
Do all persons who perform work for the factory, both on the premises and offsite, have a contract?	2	3%
Do workers understand the terms and conditions of employment?	1	1%
Does the employer maintain a personnel file for each worker?	0	0%

DIALOGUE, DISCIPLINE AND DISPUTES

Effective and functioning worker committees have an important role in establishing and maintaining sound industrial relations in the factory and in ensuring workers' voices are heard. This is a requirement under the CBA which states that a joint union-management committee must be composed of an equal number of employers and union representatives and should meet at least once per month. In 2017, 24 factories were documented for not having a functioning joint union-management committee. The majority or all interviewed workers were unaware of such committees in 14 factories, which is a non-compliance according to the CAT. The remaining factories had not established a committee during the time of assessment or had worker representatives selected by the management. The fraction of factories out of compliance has improved only slightly – 32 percent in 2017 from 36 percent in 2016.

21 factories had problems with disciplinary measures. In most cases, the employers did not provide workers with the scope to defend themselves before punishing them.

Mistreatment in the workplace was a key issue under this cluster point. In 2017, 16 factories were documented with incidents where workers had been bullied, harassed or subjected to humiliating treatment. The number is similar to the previous year where 18 factories were cited for verbal abuse. Workers frequently report production staff shouting at them about meeting production targets. This issue is further discussed in the Thematic Focus Section.

Incidents of physical abuse were reported in two factories. Physical harassment by two management staff led to a work stoppage in one factory. BWJ also observed verbal abuse in this factory. In another case, a management staff had physically attacked a worker inside the dormitory. The factory issued a warning letter to the individual. Two additional cases of physical abuse were uncovered through worker interviews. Upon questioning, the management pledged to do detailed inquiries on the cases and take action accordingly. The factory was also reported to the MoL under the zero-tolerance protocol, who then investigated the case and issued a penalty letter to the factory.

TABLE 5. IN FOCUS: DIALOGUE, DISCIPLINE AND DISPUTES

COMPLIANCE QUESTION	# OF FACTORIES FOUND NC	NC RATE BY QUESTION
Does the factory have a functioning Joint Union-Management Committee?	24	32%
Do the disciplinary measures comply with legal requirements?	21	28%
Have any workers been bullied, harassed, or subjected to humiliating treatment?	16	22%
Did the employer resolve individual grievances and disputes in compliance with legal requirements?	1	1%
Did the employer resolve collective disputes in compliance with legal requirements?	0	0%

TERMINATION

Non-compliance related to termination is primarily related to the calculation of amounts and inability to provide settlement records. 17 factories did not compensate workers for unused paid annual leave when they resign or are terminated. In a number of these cases, the in-kind amount was not included when calculating the unused annual leave for migrant workers.

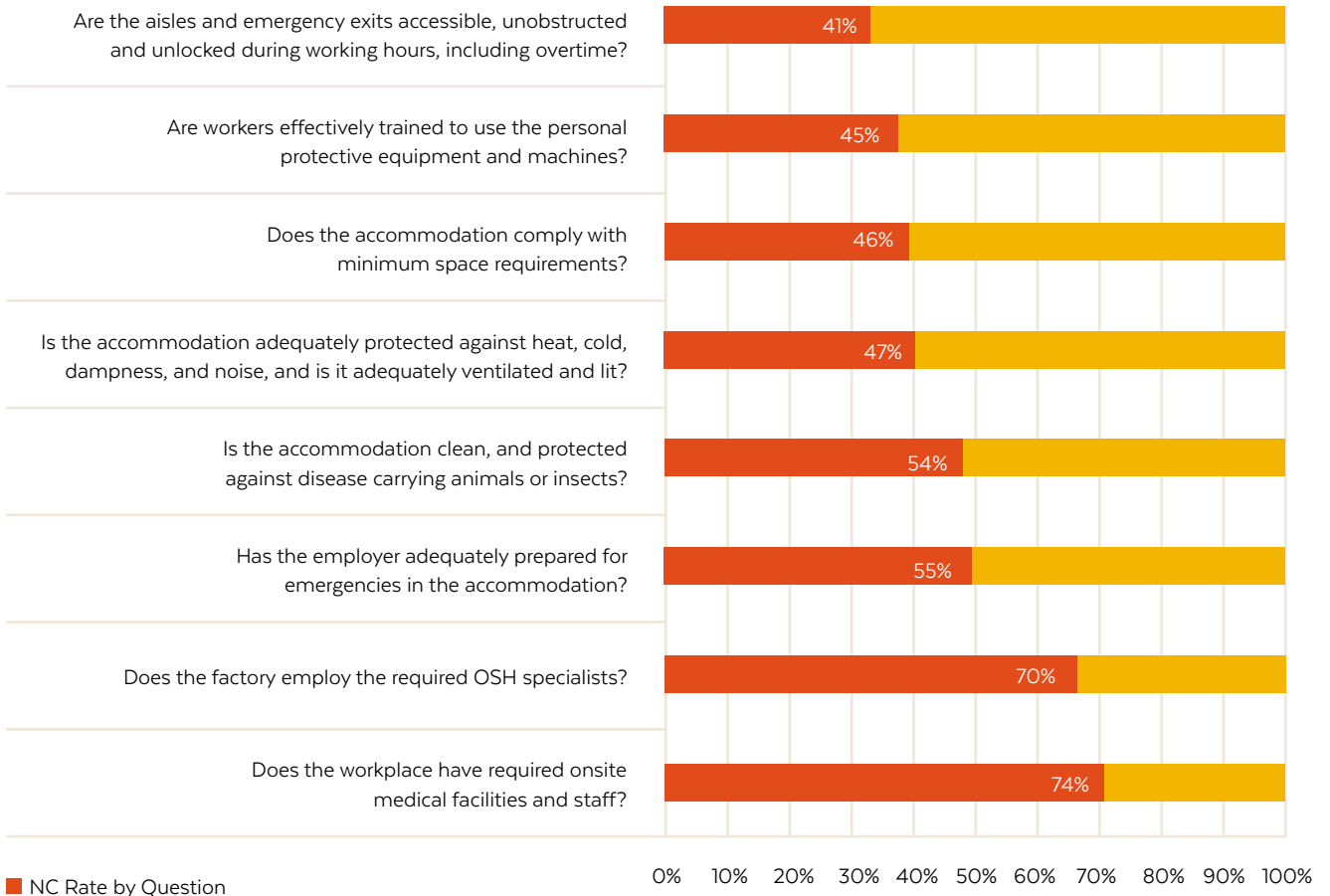
One factory had terminated workers without adequate notice. This factory argued that they fired workers who were absent for more than 10 consecutive days. This particular subcontracting factory joined BWJ after pressure from stakeholders in early 2017, and is the same factory mentioned under Strikes that the GoJ shutdown in September 2017. Reasons for shutting down the factory included escalated friction between the management and workers as well as the management's lack of commitment to improving conditions. Workers have since been transferred to other garment factories. Six factories did not comply with legal requirements related to severance pay. Four of these factories' workers had to pay for their return tickets if they did not complete their contractual periods.

Although rarely reported, these findings effectively represent the key challenges in verifying termination procedures and the need to strengthen monitoring mechanisms. Unlawful deductions and inaccurate payments can amount to significant sums denied to workers. While for most other issues, it is possible to take follow up action after identifying a problem and provide reparations to the affected workers, it is challenging to compensate workers for unlawful termination practices, since the workers are no longer with the factory or in the country in the case of migrant workers.

Occupational Safety and Health

Occupational Safety and Health (OSH) is the largest cluster in Better Work's assessment tool. Several areas under OSH continue to be a challenge for the industry and are often a result of larger structural problems and inadequate management systems. Non-compliance under OSH is concentrated with the following cluster points: Emergency Preparedness, Health Services, OSH Management, Worker Accommodation, and Worker Protection.

FIGURE 6. OSH QUESTIONS WITH HIGHEST NON-COMPLIANCE RATES



HEALTH SERVICES AND FIRST AID

As reported in previous years, the majority of factories are unable to comply with the national requirements for on-site medical facilities and staff. In 2017, 55 factories were non-compliant with on-site medical facilities and staff requirements. Jordanian law requires the employer to provide specialised physicians and nurses on-site with 50 or more workers. The required number increases proportionally with factory size. For instance, a factory with over 1,000 workers is required to hire three physicians, four nurses and one on-site medical unit. All factories had hired at least one part-time doctor and fulltime nurse. In addition, 24 factories did not have adequately equipped first-aid boxes. This is a frequently recurring issue because of ineffective internal monitoring and ineffective OSH

management systems. Over the past year, BWJ has been emphasising the need for OSH management systems in order to improve and sustain good OSH conditions. Details are discussed under OSH Management Systems and Box 7.

The employer should verify the fitness of workers before they start work in the factory. Under the Jordanian law, workers exposed to chemicals, pesticides, noise or vibrations should have medical checks twice per year, and workers in spinning and weaving should have checks once per year. In 2017, 10 factories were non-compliant with this requirement. The employer conducted medical checks for only fractions of the workforce in five factories and conducted selected tests in three factories. Two factories did not conduct any tests or checks in 12 or more months.

TABLE 6. IN FOCUS: HEALTH SERVICES AND FIRST AID

COMPLIANCE QUESTION	# OF FACTORIES FOUND NC	NC RATE BY QUESTION
Does the workplace have required onsite medical facilities and staff?	55	74%
Has the employer ensured that there are a sufficient number of readily accessible first aid boxes/supplies in the workplace?	24	32%
Does the employer comply with legal requirements regarding medical checks for workers?	10	14%
Has the employer provided first-aid training for workers?	5	7%

OSH MANAGEMENT SYSTEMS

The Jordanian Labour Law requires that factories with 201 to 500 workers must recruit two OSH technicians and one OSH specialist. For factories employing 501 to 1,000 workers, the employer should hire three OSH technicians and two OSH specialists. The requirement goes up by one supervisor and two technicians for each additional 1,000 workers. 52 factories were non-compliant with hiring OSH specialists, 12 factories did not have written OSH plans as required and 10 factories had not formed worker-management OSH committee. Established OSH plans and a functioning OSH committee are key in addressing safety issues in the workplace.

BOX 7. OSH MANAGEMENT SYSTEMS

OSH Management Systems include the organisational structure, planning, implementation, procedures, processes and resources that are required for developing, implementing and maintaining the safety and health policies to establish a workplace that is safe, efficient and productive. Two important components of OSH Management Systems are OSH Policies and OSH Committees.

Effective OSH management requires the development of a comprehensive OSH policy and/or written plans (ILO, 2001). The written statement should include the overall vision and goals, commitment to implementation, the framework and work program that includes the enterprises general and/or operational activities. The policy should be made through a process of consultation between management and workers representatives which then must be explained and disseminated to all.

The OSH Committee consists of both workers and management representatives and is responsible for monitoring and implementing the OSH policy. According to Article 85 of the Jordanian Labour Law, Regulation No. 7/1998 on Forming Committees and Supervisors for Safety and Vocational Health and Article 11 of the garment sector's CBA, factories are required form a safety and health committee. Committee members should include representatives from all production departments, and workers on the committee should either be selected by the trade union or elected. This committee should allow members the scope to discuss workplace safety and advance measures to improve it. The committee should also work to educate the workforce in health and safety and participate in OSH inspections.

In addition to the OSH compliance questions, BWJ asks some fact gathering questions during its assessments. A question related to management system includes, "Does the employer investigate, monitor and measure OSH issues to identify root causes and make necessary adjustments to prevent recurrence?" Among the 74 factories in this report, 54 percent did not have the necessary procedures to identify and work with the root causes.

Throughout 2017, BWJ continued to promote OSH management systems through its core services. Enterprise Advisors encourage factories to improve and implement such systems to address and overcome specific issues. BWJ, in collaboration with Better Work Global, prepared a booklet of tools to help factories improve their OSH systems. The booklet drew materials and information from existing resources and consolidated them into one document. The tool includes templates for policies and plans among other resources. Enterprise Advisors have been promoting the use of these resources during advisory visits and industry seminars.

BWJ delivers factory-level training sessions on OSH to factories, where the trainer generally focuses on the participating factory's specific issues. BWJ also held an industry seminar on OSH Management Systems in March 2017 with the intent to reach a wider audience. The seminar was directed towards the factory management and OSH staff. Over 50 representatives from 24 factories attended the seminar. The OSH tool was shared with participants during the industry seminar.

TABLE 7. IN FOCUS: OSH MANAGEMENT SYSTEMS

COMPLIANCE QUESTION	# OF FACTORIES FOUND NC	NC RATE BY QUESTION
Does the factory employ the required OSH specialists?	52	70%
Does the employer have written plans for OSH programs?	12	16%
Has the employer formed a joint worker/management OSH committee?	10	14%
Has the employer performed an assessment of general occupational safety and health issues in the factory?	8	11%
Does the employer record work-related accidents and diseases?	6	8%
Does the factory have a valid business license? (business licenses require building safety approvals)	4	5%

WELFARE FACILITIES

Article 72 of the Jordanian Labour Law requires that any factory employing at least 20 female workers, who altogether have at least 10 children under the age of four, should provide day-care at the workplace. In 2017, same as the previous year, 22 factories were non-compliant with this requirement. 19 of the non-compliant factories reported paying JD 25 per month for each child under the age of four.

Inadequate locker, eating areas and accessible toilets were some other areas of non-compliance. The number of factories providing decent quality food has increased since the previous year. Workers in 12 factories reported being dissatisfied with food in 2016, whereas the number decreased to four factories in 2017.

WORKER ACCOMMODATION

Employers in the garment industry are required to provide housing for foreign workers. In an industry where foreign workers occupy about 75 percent of the workforce, compliant and healthy living standards in such housing are of the utmost priority. Freedom and human rights of workers should be recognised and respected within their living quarters. Housing rules and regulations should be reasonable and non-discriminatory. It is best practice to consult workers or worker representatives when establishing such rules. Effective management of living facilities is also important in ensuring decent living conditions. This encompasses issues such as the physical maintenance of buildings, security and consultation. It is ideal that the worker accommodation has written management plans and policies.

Improvements requiring significant building renovations are one of the key challenges when it comes to worker accommodation in Jordan's garment industry. 41 factories had not adequately prepared for emergencies.

Thirty five factories had dormitories with inadequate protection against heat, cold, dampness, noise and a lack of ventilation. A common problem includes dampness in the walls. To address this problem, most factories simply repaint the walls rather than fixing internal water pipes, which fails to resolve the root cause of the problem.

Congested rooms also contribute non-compliance under this cluster point, and 34 factories were non-compliant with meeting the minimum space requirement. In addition, 25 factories did not provide adequate cooking areas and 24 did not provide adequate eating areas. Due to the lack of cooking and eating spaces, workers often use their rooms to store food, a practice that leads to pest infestation and stray animals inside dorms. In 2017, 40 factories were documented as unclean and with inadequate protection against disease-carrying animals and insects.

The independent impact assessment reinforces that accommodations continue to be a key challenge for OSH compliance. An increasing number of factories were found not complying with minimum space requirements, protection against heat, cold and dampness, emergency preparedness, protection against disease carrying insects and animals, adequate cooking facilities and adequate ventilation.

BOX 8. MONITORING WORKER ACCOMMODATION

According to the ILO Recommendation 115 on Workers' Accommodation (1961), employer-provided premises should be inspected regularly to ensure that the accommodation is clean, decently habitable and maintained in a good state of repair. Although non-binding, the ILO Recommendation 115 provides a guidance on policy, legislation and practice to national authorities as well as employers.

National regulations and standards generally guide the monitoring of workers' accommodation. This is also true for Jordan, where the accommodation criteria is set by the Ministry of Health (MoH). Guidance on regulating and monitoring dormitories can also be found in sectorial agreements and in a limited number of buyer code of conducts.

Until late 2016, only BWJ was conducting scheduled visits to factory-provided worker accommodations. The MoH oversaw the maintenance of dormitories, but would only visit on a case basis. The Union would also visit the dormitories occasionally.

In October 2016, the MoH and the MoL signed a much-awaited agreement that allows Labour Inspectors to access and evaluate conditions in workers accommodations. Bringing the living spaces of foreign workers under the labour inspection regime is expected to improve conditions in these dormitories. As per the agreement, 80 Labour Inspectors have been trained by MoH officials on relevant legal requirements and on the inspection of dormitories. However, the trained Inspectors are yet to start assessing the dormitories.

TABLE 8. IN FOCUS: WORKER ACCOMMODATION

COMPLIANCE QUESTION	# OF FACTORIES FOUND NC	NC RATE BY QUESTION
Has the employer adequately prepared for emergencies in the accommodation?	41	55%
Is the accommodation clean, and protected against disease carrying animals or insects?	40	54%
Is the accommodation adequately protected against heat, cold, dampness, and noise, and is it adequately ventilated and lit?	35	47%
Does the accommodation comply with minimum space requirements?	34	46%
Does the accommodation have adequate cooking facilities?	25	34%
Does the accommodation have adequate eating and living areas?	24	32%
Are trained first aid personnel and adequate first aid supplies available in the accommodation?	15	20%
Is the accommodation protected against fire?	15	20%
Does the accommodation have adequate toilets, showers, sewage and garbage disposal systems?	11	15%
Does the accommodation have enough safe water?	1	1%
Does the accommodation have laundry facilities?	1	1%
Is the accommodation separate from the workplace (even though it may be in the same compound/industrial park)?	1	1%
Does the accommodation offer workers adequate privacy?	0	0%

BOX 9. MAJOR ISSUES WITH WORKER ACCOMMODATION IN JORDAN

Safe and compliant worker accommodation is of key importance in Jordan's garment industry. Migrant workers account for about 75 percent of the industry's workforce, and employers are required to provide food and accommodation to all migrant workers. Beyond their safety in the workplace, it is pertinent that a worker's wellbeing – both physical and psychological – is maintained in these employer-provided accommodations.

Construction of the building plays an important role in not only ensuring durability but also in ensuring compliance and decent living conditions. As much as possible, buildings should be constructed to minimise safety and health risks. Dampness and mould in walls are common problems among factory dormitories in Jordan. Most employers try to address this problem by simply painting over the damp areas, but this is only a short term solution. Resolving the root cause would include fixing the internal water pipes. Employers commonly cite time and capital as key obstacles to such renovation efforts. In case of rented buildings, employers tend to depend on building owners to take lead on extensive repairs.

Congested rooms and limited space also contribute to non-compliance with minimum space requirements. Lack of cooking and eating areas have also been cited consistently and often contribute to insect infestation.

In addition to sound structural planning, the management of dormitories plays an important role in ensuring decent living conditions. Written plans and policies are integral to ensuring compliance. Housing rules and regulations should be reasonable and non-discriminatory. Employers should ideally consult worker representatives and residents when establishing rules.

WORKER PROTECTION

Provision of personal protective equipment (PPE) such as masks, metal gloves, glasses and earmuffs are key in ensuring safety in the workplace. In 2017, BWJ documented 33 factories were not using the required PPE. It is primarily the factory's responsibility to ensure workers receive and use their PPE, and workers to have a responsibility to use the equipment at all times for their own safety. 25 factories did not comply with

ergonomic requirements and 24 did not have proper guards installed on all dangerous machines.

17 factories were documented as non-compliant with electrical safety requirements. The majority of the cases included exposed and/or hanging electrical wires and missing insulation around electrical boxes.

TABLE 9. IN FOCUS: WORKER PROTECTION

COMPLIANCE QUESTION	# OF FACTORIES FOUND NC	NC RATE BY QUESTION
Are workers effectively trained to use the personal protective equipment and machines?	33	45%
Does the employer comply with ergonomic requirements?	25	34%
Are proper guards installed and maintained on all dangerous machines and equipment?	24	32%
Does the employer provide workers with all necessary personal protective clothing and equipment?	20	27%
Are electrical wires, cables, switches, plugs and equipment (e.g. transformer, generator, electrical panel, circuit breakers) properly installed, grounded (for equipment), and maintained?	17	23%
Are appropriate safety warnings posted in the workplace?	1	1%
Are workers punished if they remove themselves from work situations that they believe present an imminent and serious danger to life or health?	0	0%

Working Time

Assessing compliance with the Working Time cluster is dependent on reliable and accurate records. Although there is no legal limit for overtime in the Jordanian Labour Law, many factories may avoid presenting excessive overtime. In some cases, workers may still be properly compensated off the record and this is verified through workers' statements and corresponding production documents and other resources. In other cases, workers are not properly compensated.

LEAVE

As per Jordanian Labour Law, workers are entitled to 14 days of sick leave in one year, regardless of the worker's start date. Three factories were non-compliant with annual leave. Among these factories, two factories allowed sick leave to workers who had been employed for longer. In one factory, all interviewed Jordanian workers reported that they were not allowed to use their annual leave and if they did, the employer would deduct from their salary. The management noted that this system was implemented to discourage absenteeism, but also acknowledged that it was illegal and had to be changed.

REGULAR HOURS

According to Article 46 of the Jordanian Labour Law, working hours should not exceed eight hours per day, but 11 hours per day is acceptable if the total work week does not exceed 48 hours. Any additional hours worked is considered overtime, and the Law does not prescribe a legal overtime limit. In one factory, security guards were found working 24-hour shifts followed by 48 hours of rest. This agreement was based on mutual agreement between the factory and the guards.

Five factories had records that did not reflect actual hours worked. Two of these factories did not have electronic attendance systems. Non-compliance related to time records has decreased from 19 percent to seven percent, indicating greater transparency and progress in the industry.

TABLE 10. IN FOCUS: REGULAR HOURS

COMPLIANCE QUESTION	# OF FACTORIES FOUND NC	NC RATE BY QUESTION
Do the working time records reflect the hours actually worked?	5	7%
Do regular working hours exceed 11 hours per day or 48 hours per week?	1	1%
Does the employer provide required weekly rest periods?	0	0%

In addition to the questions under Working Time, BWJ reviews worker attendance records and working hours to ensure accurate compensation. This practice allows the programme to document actual hours worked in participating factories. Understanding the actual hours and overtime worked is particularly important in the Jordanian context since the national Labour Law does not subscribe a ceiling for overtime.

For this report, the analysis uses working hours data collected from 64 factories between January and December 2017. The sample uses records from 2,750 workers for three months each. Since hours are recorded as weekly observations, each weekly hour reported is treated as an individual observation when computing the averages. For newly hired workers, only reported hours are entered. This led to 25,927 observations when calculating the average hours worked between the 64 factories. The overall average among these factories is 56.1 hours per week with a standard deviation of 12.9. The maximum hours worked is 108 hours per week. Figure 7 presents the distributions of weekly hours for the 64 factories.

Starting August 2017, BWJ started recording 'nationality' – Jordanian and expatriate – when documenting the working hours. This disaggregated data helps calculate differences between average hours worked between Jordanians and migrant workers. For 2017, the disaggregated data was available for 24 factories. The average in this subset is 55.7 hours per week. When disaggregating the data, the average weekly hours worked is 60.7 for

migrant workers and 43.3 for Jordanian workers. Figure 8 presents the distribution of weekly hours for migrant workers in 22 factories and Figure 9 presents data for Jordanian workers in eight factories.

When disaggregating by factory type, the weekly working hour averages are 56.5 for direct exporters, 62.2 for subcontractors and 43 for satellite units. Details presented in Table 12 under Annex F.

FIGURE 7. AVERAGE WEEKLY WORKING HOURS

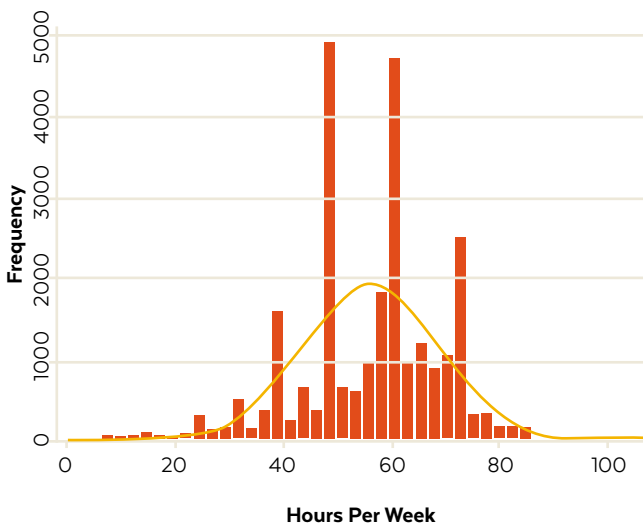


FIGURE 8. AVERAGE WEEKLY WORKING HOURS - MIGRANT WORKERS

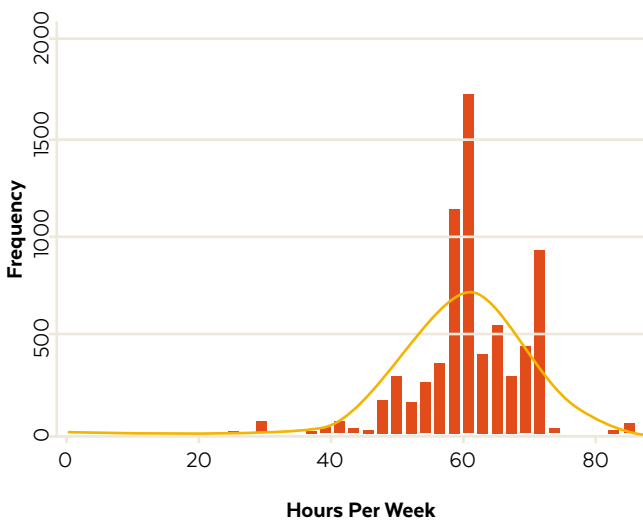
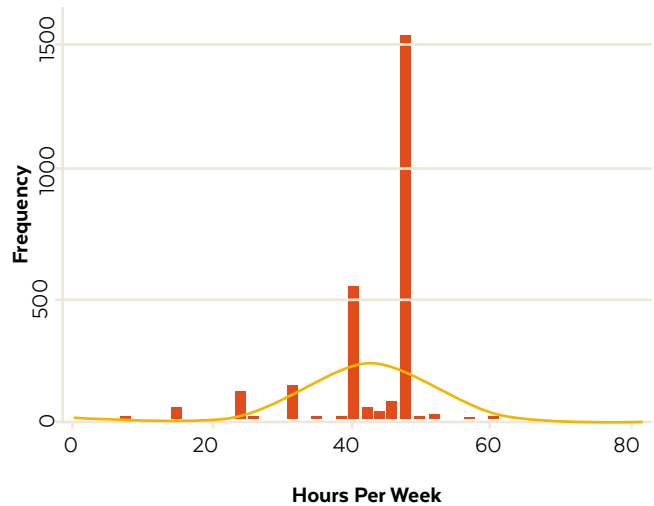


FIGURE 9. AVERAGE WEEKLY WORKING HOURS - JORDANIAN WORKERS



2.3 THEMATIC FOCUS: VERBAL ABUSE

This section focuses on verbal abuse in the workplace. During assessments, verbal abuse is measured by asking workers about their concerns in the factory about the use of yelling or vulgar language. This is recorded under Dialogue, Discipline and Disputes under the Contracts and Human Resources cluster. BWJ’s assessment tool records the following question:

“Have any workers been bullied, harassed or subjected to humiliating treatment?”

Compliance is reported according to the Articles 26 and 29 of the Jordanian Labour Law. Cases of such harassment can include hitting, pushing or throwing things, restricting access to food, water or toilets, threatening or shouting at workers or publicly scolding workers in a degrading manner.

In 2017, verbal and physical abuse cases were documented in 16 factories, some 22 percent of the factories assessed. Among these factories, 50 percent were direct exporters, 38 percent satellite units and the remaining were subcontractors. In addition, the majority of the non-compliant factories were in first and second cycles. About 64 percent were in Better Work Cycle 3 or below. Six of the non-compliant factories

were under the same management. One of the reported factories has since been shut down by the MoL.

All cases involved either the supervisor or the production managers publicly screaming and scolding workers to reach production targets. Such practices are especially common during high seasons due to increased work pressure. In more escalated cases, physical abuse was recorded in two factories – one direct exporter and one subcontractor.

In addition, the GoJ’s recent restrictions on granting and renewing work permits for migrant workers has also caused stress on both employers and workers. Although set with the agenda to tackle high Jordanian unemployment, there needs to be a clear strategy on how to train and employ Jordanians in the industry. This, by no means, should be at the cost of denying permits for migrant workers and periling their legal status in the country.

Better Work research and impact assessment show that verbal abuse not only has a negative impact on workers’ mental health but also affects their productivity and lowers their quality of work. The programme is working hard to communicate this message to all its country programmes as well as the global apparel industry. Verbal abuse is one of the publicly reported compliance issues that is being shared via the Better Work Transparency Portal.

Tufts’ impact results show that exposure to Better Work services decreases the prevalence of verbal abuse among participating factories. This trend was most evident in Jordan, where results show a steady decline in workers reporting verbal abuse as a result of exposure to BWJ. This effect has been noted to increase as factories participate in the programme longer.

Through its advisory and training services, Better Work tries to establish and improve worker management dialogue. Advisory visits are key in encouraging active bipartite committees and encouraging factory-level social dialogue. Training topics such as Supervisory Skills Training (SST) and Workplace Communication help address such issues from various angles. Impact research shows the value of SST in improving workplace relations between supervisors and workers. The training module equips new and old supervisors with skills to adopt more humane practices and better motivational techniques.

BOX 10. BUSINESS CASE AGAINST VERBAL ABUSE IN THE WORKPLACE

Theory and evidence indicate that verbal abuse has three principal causes: compensation structures that do not align with incentives, unskilled supervisors and production pressure augmented by ordering mechanisms (Brown et al, 2016). Garment workers in global supply chains often face verbal abuse from their supervisors. External pressure from buyers and erratic orders and unskilled supervisors contribute to higher verbal abuse in factories.

Verbal abuse can be understood as a poor strategy to motivate workers, usually employed by poorly trained supervisors and production managers. Findings from Tufts’ impact assessment suggest conditions such as misaligned incentives, external pressure from buyers, supervisor stress, and a lack of effective workplace dialogues or CBA.

Verbal abuse not only has a negative impact on workers’ lives but also negatively impacts productivity and profitability. In a Better Work Discussion paper, Rourke (2014) demonstrated that factories with verbal abuse are less profitable than other firms. High performing firms have lower incidence of verbal abuse. Such a relationship indicates that removing verbal abuse will not guarantee an increase in profits but it is a necessary condition.

FIGURE 10. VERBAL ABUSE CASES: FACTORY TYPE

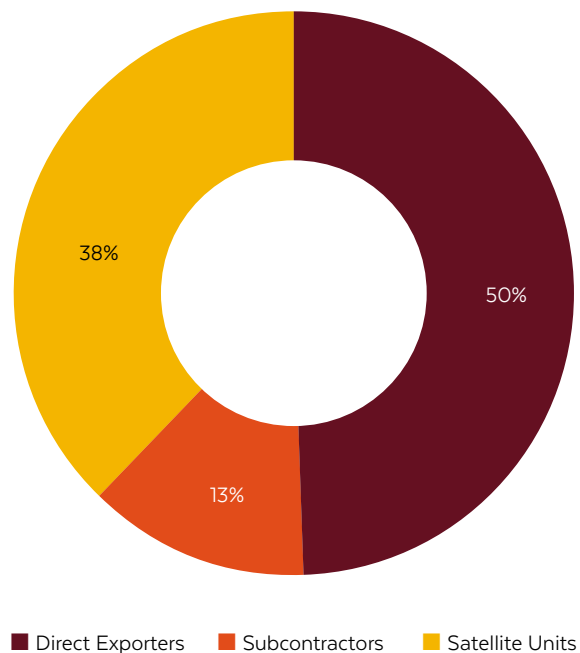
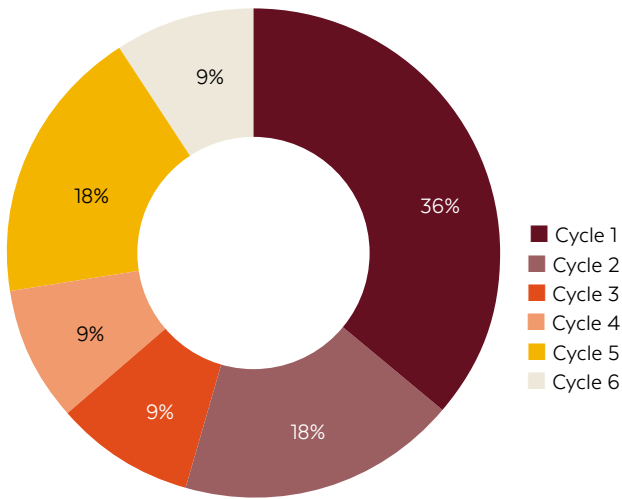


FIGURE 11. VERBAL ABUSE CASES: BETTER WORK CYCLE



2.4 PUBLICLY REPORTED ISSUES

In July 2017, BWJ started publishing the selected factory-level compliance information on the Better Work Transparency Portal. The portal presents compliance information on 29 specific issues covered during factory assessments. Public reporting is applicable to factories that have finished at least two assessments. The data presented is drawn from the compliance status of 67 factories currently on the website.

The highest non-compliance is recorded under CBA implementation. The majority of the non-compliance is observed under Working Conditions. Since public reporting was introduced in Jordan only in 2017, impact is expected to be observed next year and will be reported in the next Annual Report.

FIGURE 12. PUBLICLY REPORTED ISSUES - CORE LABOUR STANDARDS

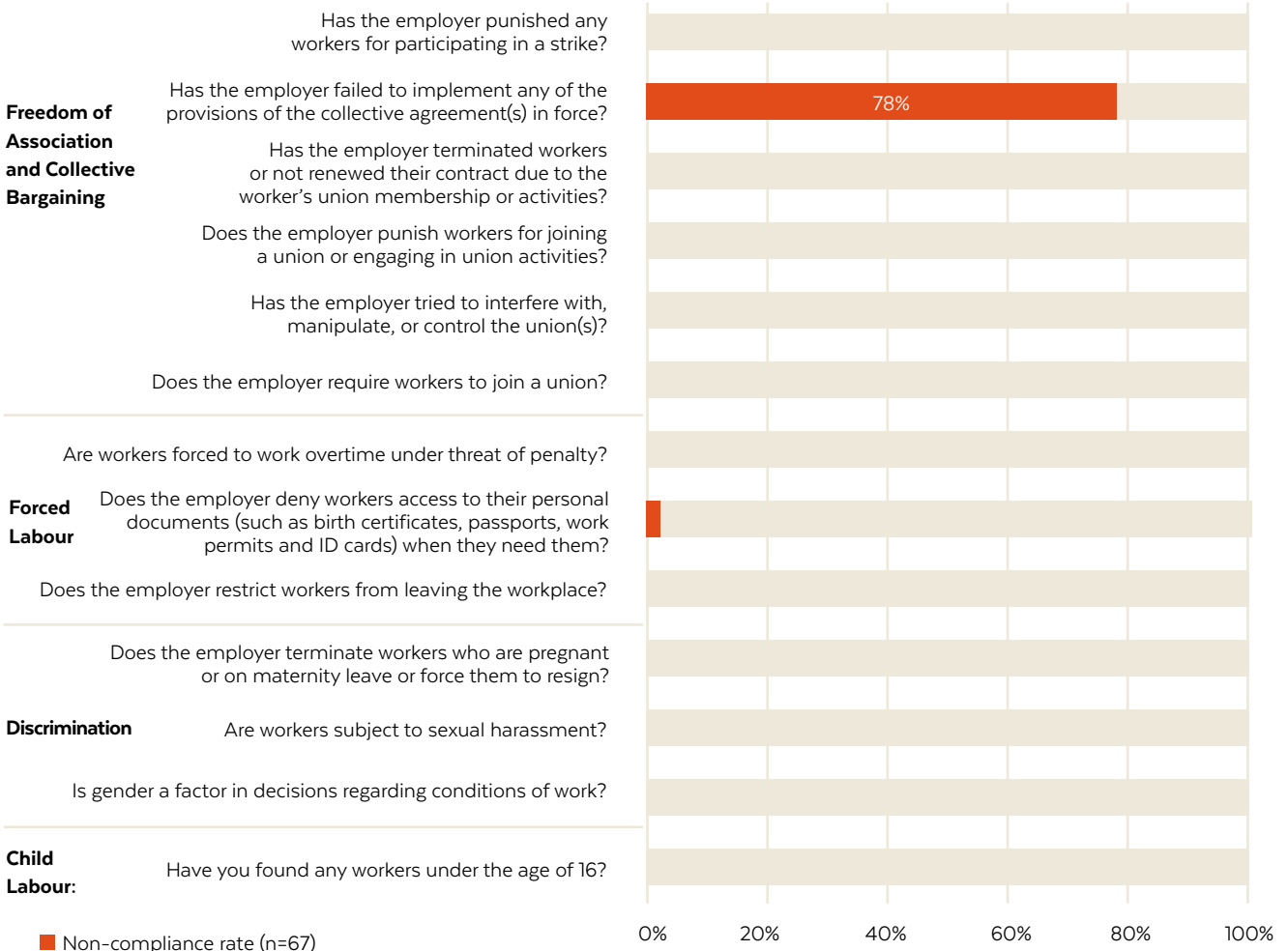
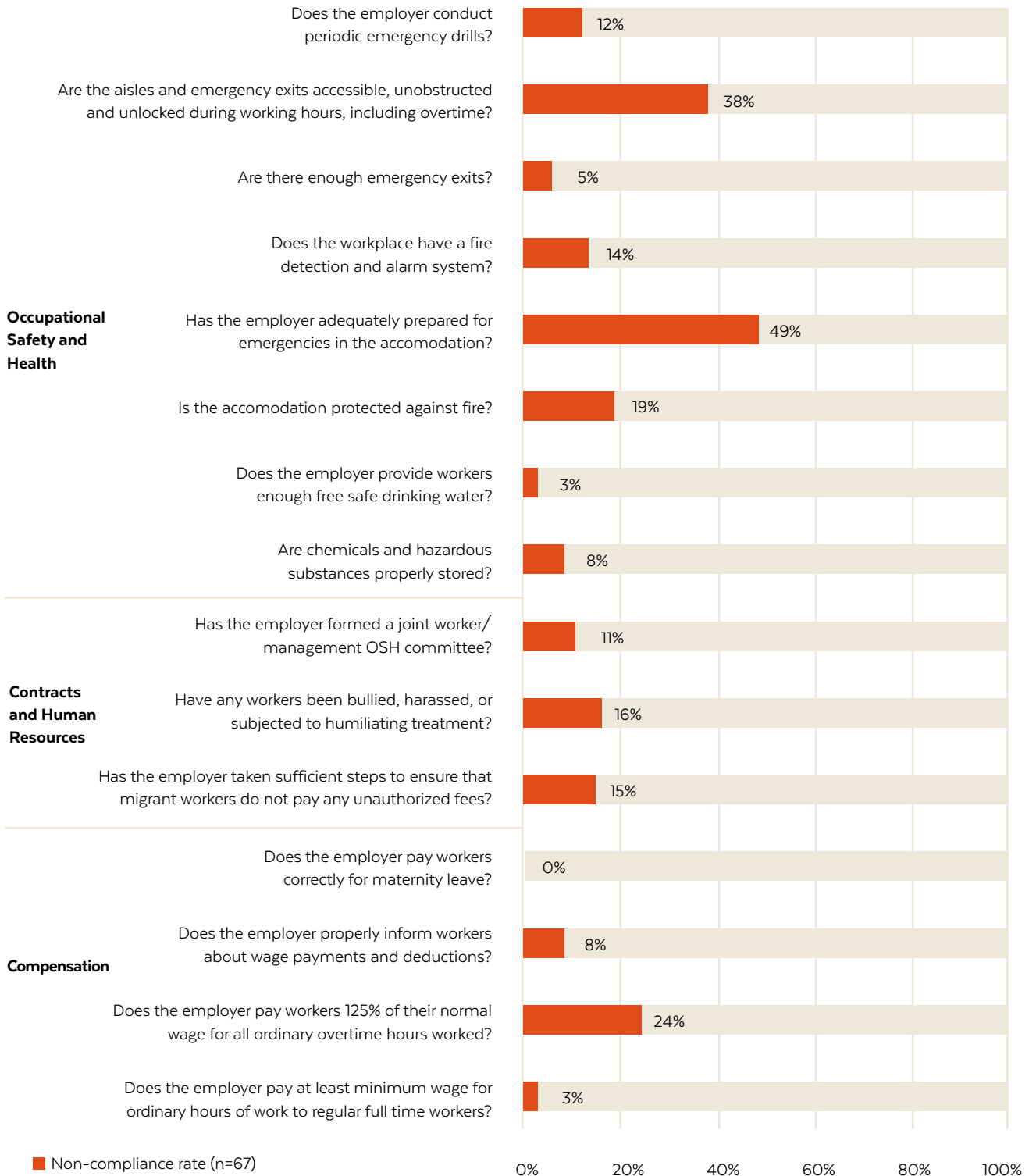


FIGURE 13. PUBLICLY REPORTED ISSUES - WORKING CONDITIONS



Section III: Conclusion

BWJ's Annual Report provides an array of observations into the state of working conditions in Jordan's garment industry. The Annual Report is meant to capture the state of compliance status and to provide a snapshot of where the industry stands. Observations from factory assessments and other services are meant to provide key information and evidence needed to inform discussions and actions. Public annual reports such as this are a way to highlight progress and challenges to industry stakeholders as well as a wider audience.

This report presented findings from 74 factories, some participating in the programme since its inception and some only for a year. In this report, BWJ has tried to bring together quantitative compliance findings with qualitative narrative to build a holistic portrait of Jordan's garment industry. Although observations indicate some important progress, a lot remains to be done. As stakeholders and BWJ gear to take the industry 'beyond compliance,' it is critical that areas of persistent non-compliance are addressed head-on and more robust and creative collaborations are merged along the way.

CORE LABOUR STANDARDS AND WORKING CONDITIONS

Similar to previous years, non-compliance remains concentrated in the working conditions clusters, particularly under Contracts and Human Resources and OSH. Progress in compliance with OSH questions remain elusive and six out of the eight cluster points have an overall non-compliance rate greater than 50 percent. Non-compliance related to medical staff requirements continue to be high, primarily due to stringent national labour law. As BWJ moves forwards, the programme is advocating and encouraging factories to implement a 'systems-based approach' to tackle issues related OSH. Such an approach is expected to not only help mitigate these issues, but also sustain any progress made. BWJ will continue to highlight non-compliance related to worker accommodation and encourage stakeholders to discuss solutions to some of the key problems. The

programme is strengthening its collaborative efforts with the ILO's LAB/ADMIN department and the SSC to tackle OSH issues. Non-compliance with Contracts and Human Resources are mainly related to employment contracts, functioning bipartite committees and unauthorised recruitment fees.

High non-compliance under Labour Standards is limited to collective bargaining and freedom to associate under the FoA/CB cluster. Given the single-union structure stipulated by the labour law, the industry continues to be 100 percent non-compliant with the freedom to associate. As for collective bargaining, the majority of factories are yet to implement all provisions of the CBA. Since a number of provisions with high non-compliance are tied to OSH and contracts, addressing the previously discussed issues will also help the industry implement the CBA. In addition, BWJ advocates for a more transparent and inclusive CBA negotiations in the coming years.

BETTER WORK JORDAN COUNTRY STRATEGY 2017-2022

After considerable growth in recent years, BWJ entered its third phase in 2017. Under the new country strategy, the programme will continue to expand its services to garment and non-garment sectors, whilst also intensifying longer-term strategic efforts to build the capacity of national partners. Beyond simply enforcing compliance, increased engagement with national stakeholders will help create an improved regulatory environment and promote industry competitiveness through responsible business, in line with the wider national development agenda in Jordan.

BWJ will continue to expand its collaboration with Jordan's MoL. The programme will continue the secondment initiative, where Labour Inspectors join the BWJ team to learn about the Better Work approach. There were three seconded Labour Inspectors working with the team in 2017. The structure of this initiative will be

modified to bring three Labour Inspectors to the team for four months throughout the year. In collaboration with LABADMIN/OSH, BWJ will advance its engagement with the MoL, especially with the Inspection and OSH Departments. A key focus will involve assisting the inspectorate to transition from a traditional enforcement model to a strategic compliance model.²² BWJ is also working with the SSC to help factories improve their OSH conditions. As part of the collaboration, an OSH Inspector and Researcher has joined the BWJ team to help advance joint OSH efforts. BWJ is looking forward to engaging more extensively with the Union in the coming years and facilitating important skills and knowledge transfer. BWJ will work closely with ACTRAV/ILO on this initiative.

Going forward it is important that BWJ takes its firm-level expertise and knowledge to steer and inform policy discourse and decisions. For this, the programme will put more emphasis on creating and sustaining robust relationships with national institutions as well as international organisations and Jordan's civil society.

GLOBAL GENDER STRATEGY

Gender equality has been a key component of Better Work's agenda. In early 2018, the programme published its ambitious five-year gender strategy to contribute to Sustainable Development Goal 5 (SDG 5).²³ The strategy is built on interventions at both the national and global levels and spans across themes of discrimination, paid work and care, voice and representation, and leadership and skill development.

In 2018 and beyond, aligned with the Global Strategy, BWJ will increase its focus on gender and ensure gender sensitivity in its services. This will involve scaling up existing services and projects as well as working closely with national and international actors and forging new partnerships. As part of this effort, the programme will continue its collaboration with SADAQA, a Jordanian NGO that has been a key proponent of leading discussions related to women's pay, day care facilities and maternity and paternity leaves. Throughout 2018, BWJ will work extensively to identify strategic partnerships and collaborations in order to implement this strategy.

DECENT WORK FOR ALL

The programme's work with the industry in the past nine years has helped identify some important challenges faced by migrant workers. BWJ continues to acknowledge some of its limitations regarding topics related to sexual harassment, mental health and migrant workers. In the coming years, BWJ will actively work to forge collaborations to help address these gaps in knowledge and expertise, especially on issues related to sexual harassment and psychosocial support. In the past years, BWJ has observed the need for greater mental health support for workers, especially for migrants. The programme is working to identify ways to address this gap in coordination with employers as well as other organisations in the country.

The IFC-funded productivity project aimed at improving productivity and labour standards in Jordan's satellite units is expected to contribute to the knowledge on how to make satellite units more productive and compliant, and thus help create decent jobs. BWJ sees the value in the satellite model promoted by the GoJ to encourage female participation in Jordan's labour market. The programme is committed to explore ways and generate knowledge on how to help make this model more productive in the future.

BWJ remains optimistic about the livelihoods component of the Jordan Response Plan (JRP). The programme is committed to help ensure decent work for refugees employed in the industrial sector. BWJ believes that the programme has a role in helping ensure quality jobs. Improved working conditions are also likely to encourage more workers to join the industrial sector, which will help realise the GoJ's efforts to increase employment among Jordanians and Syrians. BWJ continues to work with the international community supporting and advancing Jordan's industrial sector and decent work creation for Jordanians and Syrians.

The agenda of Decent Work remains at the core of Better Work's mission in Jordan. BWJ will continue to contribute in addressing the country's persistently high unemployment rate, refugee access to decent work and ensuring respect for rights of migrant workers in Jordan's manufacturing sectors.

Annexes

ANNEX A. FACTORIES COVERED IN THIS REPORT

Ajloon Satellite Unit (Hi Tech Apparel Concepts)	Classic Fashion Apparel Industry Ltd. Co. (Unit 10)
Al Areen wear Ltd.	Classic Fashion Apparel Industry Ltd. Co. (Unit 2)
Al Hanan for Cloth Mfg. Est.	Classic Fashion Apparel Industry Ltd. Co. (Unit 6)
AL Masera Textile	Classic Fashion Apparel Industry Ltd. Co. (Unit 7)
Al Mustamerah for Tex	Eam Maliban Textiles Jordan (PVT) Ltd.
Al Tafilah Apparel Co. Ltd..	Eam Maliban Textiles Jordan (PVT) Ltd. (Satellite)
Apparel Concepts L.L.C.	El Zay Ready Wear Mfg. Co.
Aseel Universal Garments Mfg. Co.	Fine Apparel Ltd.
Aseel Universal Garments Mfg. Co./Al Mwaqar	Galaxy Apparel Industry
Atateks Foreign Trade Ltd.	Galaxy Apparel Industry (Satellite)
Atlanta Garment Mfg. Co.	Haifa Apparel
Best Quality Jordan	Hi Tech -Textile (R-Tex)
Business Faith Garment Mfg. Co. Ltd.	Hi-Tech Textile L.L.C.
Cady Garments Company	Indo Jordan Clothing Company (Unit 1)
Camel Textile International Corp.	Indo Jordan Clothing Company (Unit 2)
Casual Wear Apparel L.L.C.	International Elegance Garment Mfg. Co. Ltd.
Century Miracle-Indian Building	Ivory Garments Factory L.L.C.
Century Miracle-Main Building	Ivory Garments Factory L.L.C. (Satellite)
Century Wear Co.	Jerash Garments and Fashions Mfg. Co. Ltd. (Unit 1,2&3)
Classic Fashion Apparel Industry Ltd Co. Bussairah	Jordanian Modern Textile
Classic Fashion Apparel Industry Ltd Co. (Unit 8)	Musa Co. for Mfg. ready garments
Classic Fashion Apparel Industry Ltd Co. (Unit 9)	Mustafa & Kamal Ashraf Trading Garment Ltd.
Classic Fashion Apparel Industry Ltd. Co. Karak	Needle Craft for clothing industry
Classic Fashion Apparel Industry Ltd. Co. (Unit 4)	Noble Apparel Jordan L.L.C.
Classic Fashion Apparel Industry Ltd. Co. (Unit 1)	Paramount Garments Ltd.
	Peace Gate Garment

Pine Tree Co. for textile Mfg. P.S.C (TWJ)

Prestige Apparel Mfg. Ltd. Co.

Rainbow Textile L.L.C.

Rich Door Textile Factory

Rich Pine International Group Ltd.

Sana Garments Co.

Silver Stitch Apparel Mfg. L.L.C.

Southern Garment Mfg. Co. Ltd.

Standard Jeans Apparel Mfg. Co. (Satellite Unit 2)

Standard Jeans Apparel Mfg. Co. (Unit 1)

Standard Jeans Apparel Mfg. Co. (Unit 3)

Standard Textile Jordan

Sterling Apparel Mfg. L.L.C.

Sterling Apparel Mfg. L.L.C. (Satellite)

Straight Line for Apparel Co.

Third Dimension Apparel L.L.C.

Top Tex Garment Industry

Tusker Apparel Co.

United Creations L.L.C.

United Creations L.L.C. (Satellite)

Vega Textile Ltd.

Victorious Apparels Mfg. Co. Ltd.

W&D Apparel (Jordan) Corp.

ANNEX B. LIST OF PARTICIPATING BUYERS

American Eagle Outfitters, Inc.

Ann Taylor Inc.

Columbia Sportswear

Dick's Sporting Goods Ltd

G-III Apparel Group

GAP, Inc.

Global Brands Group

Ideal Source FZE

J. Crew

Li & Fung Trading Ltd

Lucky Zone Design LCC

Newtimes Development

New Balance Athletic, Inc.

NIKE, Inc.

Patagonia, Inc.

Polo Ralph Lauren Corporation

Post CH AG

PVH Corp.

Sears Holdings Corporation

Talbots Inc.

Wal-Mart Stores, Inc.

ANNEX C. METHODOLOGY AND LIMITATIONS

Factory Assessments

Better Work conducts factory assessments to monitor compliance with core International Labour Standards and the national labour law. Assessment reports highlight non-compliance findings, which are then used to help factories identify areas in need of improvement. Collecting and reporting these data over time help factories demonstrate their commitment to improving working conditions.

Better Work organizes reporting into eight clusters. The first four clusters comprise the core labour standards – Child Labour, Discrimination, Forced Labour, and Freedom of Association and Collective Bargaining. These standards protect the fundamental rights at work under the ILO's 8 Core International Labour Conventions, and International Labour Standards are used as a baseline for compliance in these four clusters. The remaining clusters – Compensation, Contracts and Human Resources, Occupational Safety and Health, and Working Time – fall under Working Conditions. The compliance points for these areas incorporate differences in national legislation depending on the country of operation. Better Work establishes a benchmark based on international standards and good practices in areas where national laws do not cover or sufficiently address an issue regarding working conditions. The eight clusters are then divided into cluster points (CP), and each CP includes a number of questions, which may vary by country.

Calculating Non-Compliance

Better Work calculates non-compliance rates for each factory and reports them in individual factory reports. The non-compliance rate is reported for each CP, and a CP is reported as non-compliant if one or more of its questions show evidence of non-compliance. In public annual reports, Better Work uses the average compliance rates across all participating factories within the reporting period. For instance, an average non-compliance rate of 100 percent under a question indicates that all participating factories had violations in that area.

Limitations of Better Work Assessment

Detailed factory assessment reports are based solely on what is observed, investigated and analysed during assessment visits. Before the reports become official, factories are given five working days to provide feedback and clarifications, which in some cases impact the language in the final report. Certain issues remain difficult to assess and verify independently. For instance, sexual harassment is difficult to identify during a factory assessment visit. It is generally considered a sensitive issue and is likely to be underreported. The low literacy level of a large percentage of workers can also affect the integrity of documentation related to workers' consent for overtime work, storing personal documents, disciplinary procedures and employment rights. To overcome such limitations to some extent, information provided by workers and management are crosschecked through representative interview samples and various documents maintained at the factory.

Limitations of Better Work Jordan Assessments

In the context of Better Work Jordan, limitations in the assessment process can also arise when monitoring issues specific to migrant workers. It is beyond the scope of BWJ to thoroughly investigate contracting procedures in workers' country of origin. Age verification for migrant worker can be challenging as birth dates in national passports, the primary document available to verify workers' age, can be falsified with fake birth certificates.

Detecting violations of workers' entitlements upon termination of their contract has been difficult, especially in cases where no proper documentation is maintained to indicate the amount paid to workers. Furthermore, in some cases where the paperwork may show that the worker received all their entitlements, whether the worker had actually received the stated amount cannot be verified once the worker has left the country. Unlawful terminations are also difficult to justify through multiple sources and are usually dependent on cross-checking workers' statements following incidents such as work stoppages or strikes. In such cases, the management either maintains paperwork to

show that the worker had wilfully resigned or does not maintain any termination-related documents at all.

Assessing compliance with freedom of association in Jordan has been challenging for BWJ for a number of reasons. The existing Jordanian Labour Law does not adequately protect freedom of association, and the single union structure prevents workers from forming a labour union of their choice. Factories de facto become non-compliant on questions related to freedom of association. BWJ continues to monitor other aspects of union operations, including union access to factories, anti-union discrimination and strikes at the enterprise level. At the same time, the main workers' union for the Jordanian apparel sector does not fully represent the majority migrant workforce as only locals can participate through voting and nominations in the union board elections. The union also has limited capacity in adequately communicating with the migrant workforce due to language barriers.

Limitations of Calculating Non-Compliance

The binary 'yes or no' structure of the answers to compliance limits the ability of Better Work to numerically present the severity of non-compliance, and is not conducive to capturing the 'levels of non-compliance'. For example, a factory may significantly improve in a particular area but may still not qualify as compliant. While an aggregate and strict indicator, the non-compliance rate is useful for Better Work to compare data across countries and have a general idea of areas of non-compliance in the industry. It is often beyond the capacity of such numbers to fully capture the specific issues observed during factory assessments. Accordingly, it is important to examine the Clusters and CPs in further details to create a more comprehensive understanding of the industry and the overall non-compliance rates (as presented).

ANNEX D. NON-COMPLIANCE WITH EMPLOYING PERSONS WITH DISABILITIES

Table 11 presents the number of Jordanian workers, the applicable minimum quota and percentage of the quota met by the non-compliant factories. It can be seen that only three of the non-compliant factories met less than 50 percent of the required quota. Factories often cite difficulty in training and recruiting workers with disabilities. Job announcements are usually sent to the MoL through which eligible candidates are forwarded to the factories.

TABLE 11. BREAKDOWN OF FACTORIES NON-COMPLIANT IN HIRING PERSONS WITH DISABILITIES

FACTORY NO.	# OF JORDANIAN WORKERS	MINIMUM REQUIREMENT	% QUOTA MET
1	589	24	33
2	395	16	38
3	516	21	38
4	566	22	55
5	80	3	67
6	220	9	67
7	460	18	72
8	104	4	75
9	574	23	83
10	574	23	83
11	160	6	83
12	440	18	83
13	520	20	85
14	184	7	86
15	342	14	86
16	421	17	88
17	285	11	91

Factories 8 and 9 are under the same management.

ANNEX E. PUBLICLY REPORTED ISSUES

CLUSTER	QUESTION
1 Child Labour	Have you found any workers under the age of 16?
2 Discrimination	Is gender a factor in decisions regarding conditions of work?
3 Discrimination	Are workers subject to sexual harassment?
4 Discrimination	Does the employer terminate workers who are pregnant or on maternity leave or force them to resign?
5 Forced Labour	Does the employer restrict workers from leaving the workplace?
6 Forced Labour	Does the employer deny workers access to their personal documents (such as birth certificates, passports, work permits and ID cards) when they need them?
7 Forced Labour	Are workers forced to work overtime under threat of penalty?
8 FOA/CB	Does the employer require workers to join a union?
9 FOA/CB	Has the employer tried to interfere with, manipulate, or control the union(s)?
10 FOA/CB	Does the employer punish workers for joining a union or engaging in union activities?
11 FOA/CB	Has the employer terminated workers or not renewed their contract due to the worker's union membership or activities?
12 FOA/CB	Has the employer failed to implement any of the provisions of the collective agreement(s) in force?
13 FOA/CB	Has the employer punished any workers for participating in a strike?
14 Compensation	Does the employer pay at least minimum wage for ordinary hours of work to regular full time workers?
15 Compensation	Does the employer pay workers 125% of their normal wage for all ordinary overtime hours worked?
16 Compensation	Does the employer properly inform workers about wage payments and deductions?
17 Compensation	Does the employer pay workers correctly for maternity leave?
18 CHR	Has the employer taken sufficient steps to ensure that migrant workers do not pay any unauthorized fees?
19 CHR	Have any workers been bullied, harassed, or subjected to humiliating treatment?
20 OSH	Has the employer formed a joint worker/management OSH committee?
21 OSH	Are chemicals and hazardous substances properly stored?
22 OSH	Does the employer provide workers enough free safe drinking water?
23 OSH	Is the accommodation protected against fire?
24 OSH	Has the employer adequately prepared for emergencies in the accommodation?
25 OSH	Does the workplace have a fire detection and alarm system?
26 OSH	Are there enough emergency exits?
27 OSH	Are the aisles and emergency exits accessible, unobstructed and unlocked during working hours, including overtime?
28 OSH	Does the employer conduct periodic emergency drills?
29 Process Integrity	Access Denied

ANNEX F. WORKING HOURS

Details on the available data on working hours and its analysis are presented in Table 12.

TABLE 12. BREAKDOWN OF WEEKLY WORKING HOURS

CATEGORY	# OF FACTORIES	# OF OBSERVATIONS	MEAN	STD. DEV.	MIN	MAX
Overall	64	25,927	56.1	12.92	2	108
Nationality						
All	24	9,988	55.7	11.79	2	86
Migrant	22	7,158	60.7	8.82	2	86
Jordanian	19	2,830	43.3	8.71	7	69
Gender						
All	24	9,717	55.8	11.71	2	86
Male	24	2,636	57.3	11.84	2	86
Female	24	7,081	55.3	11.62	2	82
Factory type						
Direct Exporters	42	21,024	56.5	11.92	2	89
Subcontractors	12	2,945	62.2	15.84	5	108
Satellite Units	10	1,958	43.0	8.77	6	66

END NOTES

- 1 The Economist Intelligence Unit, Jordan (2018). Retrieved from <http://country.eiu.com/jordan>.
- 2 In July 2017, the ILO in collaboration with the Swiss Agency for Development and Cooperation (SDC) released an in-depth report – A Challenging Market Becomes More Challenging: Jordanian Workers, Migrant Workers and Refugees in the Jordanian Labour Market – on the labour market and employment issues in Jordan. The report covered issues faced by Jordanians, economic migrants and refugees, and provides a comprehensive understanding of Jordan’s complex labour market. The report can be found on the ILO website.
- 3 Article 2 of the International Convention on the Protection of All Migrant Workers and Members of Their Families (1990) defines a “migrant worker” as a “person who is to be engaged, is engaged, or has been engaged in a remunerated activity in a State of which he or she is not a national.”
- 4 Although Jordan hosts refugees from different nationalities, this report focuses on Syrian refugees.
- 5 Department of Statistics (2018). Retrieved from <http://dosweb.dos.gov.jo/>.
- 6 The World Bank, World Development Indicators (2017). Retrieved from <https://data.worldbank.org/indicator/SL.TLF.CACT.FE.ZS>.
- 7 Retrieved from http://www.ilo.org/beirut/publications/WCMS_556931/lang--en/index.htm.
- 8 Data retrieved from the UNHCR Operational Portal (March 13, 2018): <http://data2.unhcr.org/en/situations/syria/location/36>.
- 9 Data collected from the Ministry of Labour Syria Refugee Unit’s Work Permit Progress Report (December 2017). It is important to note that this figure was reported cumulatively and with no breakdown of new or renewed permits. Data retrieved from http://data.unhcr.org/syrianrefugees/working_group.php?Page=Country&LocationId=107&Id=73.
- 10 ILO (2016). Child labour doubles in Jordan since 2007 – Survey. Retrieved from http://www.ilo.org/beirut/media-centre/news/WCMS_510750/lang--en/index.htm
- 11 Data from Department of Statistics. Retrieved from <http://dosweb.dos.gov.jo/national-exports-and-imports-rise-by-1-8-and-5-6-during-2017/>.
- 12 Data provided by the General Trade Union of Workers in Textile, Garment & Clothing Industries for January-December 2017.
- 13 Not all 21 of these satellite units were operational in 2017. The statistic for workers was recorded only for operational factories in September 2017. Source: Ministry of Labour (2017).
- 14 Data collected from Jordan’s Ministry of Labour on March 29, 2018. The figures are based on valid work permits issued in the garment sector, including permits for workers and management.
- 15 Two of the 11 factories are garment producers. These two were already enrolled in BWJ, prior to their EU RoO authorisation.
- 16 The report ‘Discussion Paper 25: Examining Barriers to Workforce Inclusion of Syrian Refugees in Jordan’ can be accessed through the Better Work website.
- 17 There has been a number of changes in the Government of Jordan’s policies since the publication of the report.
- 18 The Transparency Portal can be accessed here: <https://portal.betterwork.org/transparency/compliance>.
- 19 ILO (2016). Child labour doubles in Jordan since 2007 – Survey. Retrieved from http://www.ilo.org/beirut/media-centre/news/WCMS_510750/lang--en/index.htm
- 20 According to Article 1 of the UN Convention on the Rights of Persons with Disabilities and its Optional Protocol (A/RES/61/106), persons with disabilities include those who have long-term physical, mental, intellectual or sensory impairments which in interaction with various barriers may hinder their full and effective participation in society on an equal basis with others. Article 2 of the Convention defined “discrimination on the basis of disability” as any distinction, exclusion or restriction on the basis of disability which has the purpose or effect of impairing or nullifying the recognition, enjoyment or exercise, on an equal basis with others, of all human rights and fundamental freedoms in the political, economic, social, cultural, civil or any other field. It includes all forms of discrimination, including denial of reasonable accommodation.
- 21 The Indian Embassy in Jordan does not stamp recruitment related documents unless the factory is complying with the Government of India’s required minimum basic salary of JD 150 to all Indian workers. As per the 2015 CBA, the cash minimum wage for migrant workers was JD 110. This amount was increased in the 2017 CBA, which requires a minimum wage salary of JD 117.5 from March 2017 and JD 125 from March 2018.
- 22 Details about the ILO Approach to Strategic Compliance can be found here.
- 23 The Better Work Global Gender Strategy can be found here.



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